Austria	Sch30	Indonesia	Rp5900	Pakistan	Rs45
Bahrain	Din1.000	Israel	Shk5.50	Philippines	Pes45
Belgium	BFr60	Italy	L2500	Poland	Zl 18,000
Cyprus	C£1.00	Jordan	JD1.20	Portugal	Esc180
Czech	Kcs35	Korea	Won 2500	Qatar	QR10.00
Denmark	DKr14	Kuwait	Fils 500	S.Arabia	SR9.00
Egypt	E£4.00	Lebanon	L£1,250	Singapore	S$4.10
Finland	FM10	Lux	LFr60	Spain	Pta200
France	FFr8.00	Malta	Lm0.50	Sweden	SKr14
Germany	DM3.20	Morocco	MDh11	Switz	SFr3.00
Greece	Dr250	Neth	Fl 3.50	Thailand	Bht50
Hungary	Ft162	Nigeria	Naira20	Tunisia	Din1.000
Iceland	IKr180	Norway	NKr15.00	Turkey	L6000
India	Rs20	Oman	OR1.20	UAE	Dh9.00

EUROPE'S BUSINESS NEWSPAPER

FINANCIAL TIMES

Newspaper of the Year

Tuesday March 3 1992

Φ D 8523A

US ELECTION

Rivals fight to make their mark

Page 6

World News

De Klerk sets out to woo South African white voters

South African President F.W. de Klerk set off yesterday on a campaigning tour to seek a yes vote in the country's March 17 referendum on political reform.

He promised his National party government would guarantee justice, stability, security, economic development and pledged he would prevent blacks from dominating whites in a mirror image of apartheid. Page 22

UK to sponsor Russia

Britain is to sponsor Russia's application for International Monetary Fund membership, UK chancellor of the exchequer Norman Lamont said, and has proposed an April deadline for Russia to join. Russia seeks bigger IMF role, Page 2

Troops leave enclave

The last Commonwealth of Independent States troops began pulling out of the disputed enclave of Nagorno-Karabakh – removing the last buffer between warring Armenians and Azeris.

Lloyd's case US ruling

Lloyd's of London insurance market said a Chicago district judge had ruled that a case brought against Lloyd's by three Chicago members could not be heard outside Britain. Page 22

Aids patent fraud probe

Robert Gallo, US co-discoverer of the Aids virus, faces new investigations for alleged patent fraud and perjury. The probe comes on top of an inquiry into alleged scientific misconduct at his laboratory. Page 7

Irish abortion poll

Most Irish people want changes to their country's blanket ban on abortion. An opinion poll shows 66 per cent favour modifying the law after the ethical crisis sparked when a 14-year-old rape victim was barred from having an abortion in Britain. Page 3

UN forces fly in

Twenty Indonesian military officers flew to the Cambodian capital, Phnom Penh, vanguards of the UN's biggest and costliest peacekeeping operation. The force will demobilise the four rival armies and oversee elections due next year.

Turks bomb Kurd rebels

Turkish jets bombed bases of rebel Kurds in northern Iraq for the second day running. Turkish premier Suleyman Demirel said they were pre-emptive strikes against Kurdish Workers party camps.

Thief eludes alarms

Two alarm systems and a 24-hour guard failed to prevent thieves from stealing Picasso's "Hidalgo with Doves" from a business complex outside Antibes, southern France. The painting is worth over $1m.

French airmen killed

Two French pilots died when two Mirage 2000 jet aircraft collided over Dijon, central France. Those killed were in a twin-seater trainer version of the Dassault Mirage 2000.

Ferrari forfeit

Dutch police confiscated a Fl 325,00 ($176,630) Ferrari 348GTS after the car was clocked doing 240kph (150mph) on an Amsterdam highway. Dutch law allows the authorities to sell a car breaking the speed limit by 70kph.

World Cup cricket

Sri Lanka (198-7) beat South Africa (195) by three wickets with one ball to spare in their World Cup cricket clash in Wellington, New Zealand.

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Business Summary

Yamaichi Securities expects to report loss

Japanese broker Yamaichi Securities says it will report a loss for the year to the end of March of more than Y10bn ($78m). Other reports have put the likely loss at Y17bn. It had pre-tax profits of Y67.5bn for the previous year.

Yamaichi's earnings have been undermined by low volumes and weak prices on the Tokyo stock market. About 10 of the largest 14 Japanese brokers are expected to report losses for the current year. Page 23

WELLCOME shares fell 60p to 1,066p on news that the Wellcome Trust is to reduce its stake in the drug company from 73.6 per cent to as little as 25 per cent. The sale could raise up to £4.5bn. Page 23; The appliance of commerce, Page 20; Lex, Page 22

JAPAN'S Fair Trade Commission is investigating about 10 of the country's leading ink makers for allegedly forming a cartel to fix prices after the Gulf war led to higher costs for raw materials. Page 8

MOTT CONNELL, Hong Kong engineering group, architect Sir Norman Foster and UK airport operator BAA have been awarded a contract for detailed design of the new Hong Kong airport's passenger terminal. Page 8

BANCO MEXICANO SOMEX, government-owned Mexican bank, has had 82 per cent of its equity sold for $846m, equivalent to 29 times last year's earnings, and a record 4.63 times book value. Page 25

MATSUSHITA Electric Industrial, Japan's biggest consumer electronics company, is considering a joint venture with American Telephone and Telegraph, US telecommunications group, to develop portable computer systems. Page 25

BRITISH COAL and the UK electricity generators are close to resolving the deadlock over crucial contracts which will decide the future size of the UK coal industry. Page 10

S.A. BREWING, Australian liquor and industrial group, raised interim net profits by 11.3 per cent to A$56m (US$42m) and forecast a similar improvement in the second half. Page 25

ALLIED-LYONS, UK drinks, food and retailing group, has sold Scotch whisky brands Grand Macnish, Lauder's and Islay Mist, to Glasgow-based independent MacDuff International. Page 29

FIRST PACIFIC, Hong Kong distribution and telecommunications group, announced a 21.2 per cent decline in 1991 net earnings to HK$288.5m (US$38.1m) from HK$366m in 1990. Page 25

SEGA ENTERPRISES, Japan's leading maker of commercially used games equipment, is to buy French games machine maker WDK for FFr9m ($1.6m) plus the assumption of undisclosed debt. Page 25

TELEFONICA, Spain's government controlled telecommunications group, lifted net profits in 1991 by 6.7 per cent to Pta80.9bn ($785m) and plans to increase its dividend by the same percentage. Page 24

STEINHARDT MANAGERS, New York-based investment company, has made a $587m cash bid for Integrated Resources, financial services company in Chapter 11 bankruptcy. Page 24

EXOR: European Commission has cleared the Agnelli family's agreed bid for the company, which controls French mineral water producer Perrier. Page 24

MTM, UK specialist chemicals company, saw its shares fall 60½p to 226p after it warned that its profits for 1991 would fall substantially below expectations. Page 28

Members prepare to fight Delors plan for big rise in spending

EC faces battle over budget

By David Gardner in Brussels

EUROPEAN COMMUNITY foreign ministers yesterday prepared for a protracted wrangle over the Commission's plans to increase Community revenue by nearly a third over the next five years.

The 1993-97 finance package is causing deep unease among richer member states, in particular Germany and the UK, the two largest net contributors, which have balked at such an increase.

But foreign ministers held back their protests when Mr Jacques Delors, the Commission president, gave a spirited defence of the finance package, which calls for an increase in the present budget of Ecu66.6bn ($87bn) to Ecu87.5bn in 1997, at 1992 prices.

Mr João de Deus Pinheiro, foreign minister of Portugal which currently holds the EC presidency, produced snorts of disbelief among diplomats when he described reaction to the package as "indubitably very encouraging".

"People are reserving their fire," said Mr Douglas Hurd, the UK foreign secretary, who was the most openly sceptical about the plan.

Member states stand to pay significantly more under the plan, and their ministers used the closed meeting to map out a negotiating timetable. This looks set to run well into the UK presidency in the second half of this year.

The budget increase is designed to accommodate the greater spending on regional aid, and to help Greece, Portugal, Spain and Ireland prepare for monetary union, agreed among the "cohesion" aims at December's Maastricht summit. The rest is to finance farm reform, the EC's growing foreign policy commitments, and a sharpened research effort to strengthen industry.

PAGE 4
■ EC should seek free trade pact with Maghreb
PAGE 22
■ EC foreign ministers urge patience in CIS aid effort

Mr Hurd reiterated Britain's contention that the EC can get two-thirds of the increase Brussels is seeking without raising the revenue ceiling.

He added that farm spending should fall, not rise; that no figure was agreed at Maastricht on funding the four poorest countries; and that the increased research and training effort amounted to sanction for the Commission "picking winners" in industry.

Mr Jacques Delors, Commission president, answered by saying that, while the plan was not "the bill for Maastricht", he had understood the summit to have agreed that "cohesion was one of the supporting pillars of the Community".

He appealed for members not to sink to what he called "budgetary guerrilla warfare", telling journalists afterwards: "We are building a Community, not a financial clearing house."

According to a senior Spanish official, Mr Delors told ministers that, if they wished to cut spending, they should look at fiscal transfers to the southern countries last.

Farm reform, he said, needed short-term headroom to finance long-term change.

He again maintained that spending on improving industrial competitiveness and on EC foreign policy was money the individual member states would have to pay out anyway.

The bill for these needs "is a calculation which you can do at the end of primary school; we could give it to all English schoolchildren as an exercise," he said.

Bosnia edges closer to civil war

By Laura Silber in Sarajevo

Militant Serbs man a roadblock on the way into Sarajevo yesterday

SERB gunmen opposed to independence for Bosnia-Hercegovina yesterday erected barricades around the capital Sarajevo, and four people were killed as ethnic violence threatened to push the Yugoslav republic into civil war.

Bosnia, which managed to stay on the sidelines during the recent bloody conflict between Serbs and Croats in Croatia, could now be thrown into turmoil as Moslems, Serbs and Croats battle over the future status of the republic.

The makeshift barricades of buses and lorries were set up just hours after polling stations closed following a two-day referendum on independence.

Provisional results showed that more than 90 per cent voted for independence, in a 60 per cent turnout.

The Serbs, a third of the population, boycotted the referendum because they want to remain part of Yugoslavia.

Mr Radovan Karadzic, leader of Bosnia's Serbs and a close ally of Mr Slobodan Milosevic, the president of Serbia, said on television: "We are not going to accept an independent Bosnia-Hercegovina."

In the city, tension rose after Moslems, reacting to Serbian moves on Sunday, set up barricades in the centre near the old bazaar.

On the outskirts of the city, a masked gunman at the barricades said Serbs had sealed off the city to "punish the murderers" of a Serbian man, killed at a wedding party on Sunday.

All traffic in and out of the city was blocked by armed gangs brandishing automatic weapons. The airport was closed, and people formed long queues for food.

"Serbs, Moslems and Croats lived here in peace for years. We never thought that this could happen," said Mr Samir Dzubic, a newspaper vendor, and the son of a Serbian father and Moslem mother. "Everything is now being destroyed," he added.

Serbs make up 31 per cent of the 4.3m population of Bosnia. Moslems comprise 44 per cent and Croats, 17 per cent.

The European Community, which said it would accept the outcome of the poll provided half the electorate voted, condemned the violence.

The EC recognised the independence of the two former Yugoslav republics of Slovenia and Croatia on January 15. It made recognition of Bosnia conditional on a republic-wide referendum.

Mr Karadzic, in Belgrade for emergency talks with the Serbian-dominated rump presidency of Yugoslavia, warned that "if the conflict develops into a civil war, then the Irish problem would look like a seaside holiday."

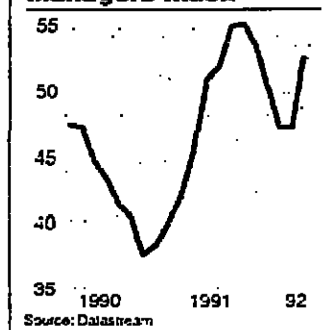
The presidency wants Bosnia to remain part of a smaller Yugoslavia – without Slovenia and Croatia.

Moslems and Croats want to live in an independent Bosnia. However, nationalist Croats want to be part of a greater Croatia, and nationalist Serbs want to join with Serbia.

If Bosnia was formally split between both republics, it would leave the Slavic-speaking, Sunni Moslems without a home.

If the republic lurched towards civil war, people of mixed marriages would be torn in their support for any of the three ethnic groups.

National Association of Purchasing Managers Index



Source: Datastream

Industrial barometer boosts hope for US recovery

By Michael Prowse in Washington

HOPES of an early US economic recovery were boosted yesterday by an unexpected surge in the purchasing managers' index – a closely followed barometer of industrial health.

The index rose 5 percentage points to 52.4 per cent, breaking the 50 per cent level for the first time since November. Analysts had expected a reading of about 48 per cent. A level of 50 per cent or higher indicates the manufacturing economy is expanding.

Last year gains in the purchasing managers' index correctly anticipated a strengthening of economic activity during the summer.

The rise followed Friday's report that gross domestic product grew at an annual rate of 0.8 per cent in the final quarter of last year, the third small quarterly gain.

On Wall Street, the jump in the index was seen as reducing the chance of another cut in interest rates. Bond prices fell sharply on the announcement, depressing sentiment in the stockmarket.

Mr Robert Bretz, for the National Association of Purchasing Management, said the economy had regained most of the momentum lost since last autumn. The index was below last September's peak of 54.3 per cent but stronger than early last summer, when the economy began to grow modestly.

Most sub-components of the index showed sharp gains. The production index rose to 58.6 per cent compared with 50.6 per cent in January. The new orders index rose to 57.5 per cent compared with 50.3 per cent. The figures are based on

Continued on Page 22

Lex, Page 22

Bowater to pay £444m for two packaging companies

By John Thornhill in London

BOWATER, the UK-based printing, packaging and industrial films group, is to buy two specialist packaging companies for £444m ($780m). The purchases of DRG Packaging and Cope Allman Packaging would be financed mainly through a £333.5m rights issue, Bowater said yesterday.

The move will strengthen Bowater's position in the medical and pharmaceuticals packaging area and expand its business in mainland Europe.

Mr David Lyon, Bowater chief executive, said the opportunity to buy both businesses had arisen because of their over-extended financial position. The companies had both been the subject of acquisitions, funded by high levels of debt, in the late-1980s.

"If we had not gone through a recession of this depth then we do not believe that these businesses would have become available. They would have gone for public flotations," Mr Lyon said.

Bowater's acquisitions may signal the start of a series of similar deals as companies which took on substantial debts to fund leveraged deals during the bull market era of the 1980s seek to escape their financial constraints.

DRG was the subject of a controversial takeover bid in 1989 when Mr Roland Franklin, the corporate raider and one-time associate of Sir James Goldsmith, paid £697m for the UK packaging group.

Pembridge Investments, the takeover vehicle has subsequently sold most of the assets it acquired for £622m. Pembridge yesterday accepted that the acquisition had not been a great success for its backers.

Cope Allman, which will be bought by Bowater for £232m, was formerly run by Quoteplan, which is 49 per cent owned by ADT, the Bermuda-registered security and car auction business run by Mr Michael Ashcroft.

Quoteplan paid £210m for Cope Allman in 1988 but quickly encountered tough trading conditions as recession hit both sides of the Atlantic.

Mr Lyon said he believed the recession would continue to produce more acquisition prospects for Bowater.

"There will be some businesses that will remain weakened and there may be the opportunity for some add-on acquisitions that we can sensibly make. We want to have enough headroom to spend another £20m to £30m on acquisitions," he said.

Bowater's one-for-three rights issue is priced at 605p, against yesterday's closing share price of 765p, down 3p. The issue has been fully underwritten by Morgan Grenfell. The broker is Hoare Govett.

The UK-based Bowater demerged its US operations in 1984. They are run as a separate business, Bowater Inc.

Lex, Page 22;
A timely move by sober management, Page 23;
Bowater results, Page 28;
ADT deal, Page 28

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Austrian presidential race tiptoes past the issue

As the campaign begins to select a successor to Kurt Waldheim as Austrian president, all parties agree that the election race should be a dignified affair and avoid the mud-slinging of the 1986 campaign

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MARKETS

STERLING
New York:
$1.7533 (1.7572)
London:
$1.7556 (1.757)
DM2.88 (2.8775)
FFr9.7925 (9.7825)
SFr2.6125 (2.6075)
Y227.5 (227.0)
£ Index 90.6 (90.7)

GOLD
New York Comex Apr
$352.5 (357.8)
London:
$350.85 (353.2)

N SEA OIL (Argus)
Brent 15-day Apr
$17.425 (17.5)

Chief price changes yesterday: Page 23

DOLLAR
New York
DMclose (1.63875)
FFr5.5835 (5.574)
SFr1.4905 (1.4855)
Y129.65 (129.5)
London:
DM1.6405 (1.6375)
FFr5.5775 (5.5675)
SFr1.4875 (1.484)
Y129.65 (129.2)
$ Index 64.3 (64.0)
Tokyo close:Y129.53

US CLOSING RATES
Fed Funds: closing
3-mo Treasury Bills:
4.127% (4.025%)
Long Bond:
$101\frac{3}{32}$ ($102\frac{5}{16}$)
yield: 7.897% (7.792%)

STOCK INDICES
FT-SE 100: Yield 4.82
2,554.3 (−7.8)
FT-A All-Share:
1,226.46 (−0.3%)
FT-SE Eurotrack 100:
1,169.17 (−0.78)
New York:
DJ Ind. Av.
3275.27 (+7.6)
S&P Comp
412.45 (-0.25)
Tokyo: Nikkei
21,487.82 (+149.01)

LONDON MONEY
3-month Interbank
$10\frac{3}{8}$% (same)
Liffe long gilt future:
Mar $97\frac{13}{16}$ (Mar98)

Russia to fight for bigger role in IMF

By Leyla Boulton in Moscow

RUSSIA, promising further radical economic reforms, served notice yesterday that it would fight for a much bigger role in the International Monetary Fund than the West is prepared to give it.

Mr Konstantin Kagalovsky, responsible for negotiations with international organisations, said Russia was seeking a quota of 4 to 4.2 per cent of the IMF's capital. The size of the quota determines the amount of Fund resources available to individual members.

The Group of Seven leading industrial nations, whose influence is key in IMF decision-making, are proposing a 4.5 per cent quota for all former Soviet republics, including 2 to 2.5 per cent for Russia. Before a proposed IMF capital increase, this would rank Russia in 11th place, sandwiched between the Netherlands and China. The IMF expects its experts to agree with the G7 figures for Russia.

But Mr Kagalovsky, whose country is also seeking a seat on the IMF board, said that such calculations were "erroneous" because they were based on working out a quota for the former Soviet Union and then dividing it among the 15 republics.

One compromise solution would be for the Fund to promise Russia a greater share of IMF funds in return for a lower ranking. The issue is delicate because national pride means that Russia, as heir to the former Soviet superpower, sees itself as closer to the US and Germany than to the Netherlands.

The quota will be one of the main issues in membershp negotiations between now and April 27, when Russia and the other republics are expected to receive the green light for joining the Fund. Russia will be using as a bargaining chip its bold programme of economic reforms for 1992, which follows IMF recommendations to the letter.

The main points of the programme are as follows:

- the removal of price controls on most goods and services by end of March except for rents, transport and services, domestic use of gas and electricity
- the freeing by April 20 of the domestic price of oil to reach an estimated Rbs2,000-2,500 ($19.6-$24.5) a tonne (compared with Rbs350); this will be accompanied by a 50 per cent tax on domestic sales, presumably to be paid by the seller. Mr Kagalovsky said he expected domestic energy consumption to fall by 10-15 per cent after the price liberalisation. The government aims to slow inflation to 1-3 per cent by the end of the year after an expected jump in prices overall of 50-75 per cent in April
- reduction of the budget deficit to one per cent of GNP by the end of this year (according to Mr Kagalovsky) to be achieved mainly through a cut in subsidies to enterprises and military spending
- restoration of value added tax of 28 per cent on all types of goods (following its removal from certain food sales) and its introduction for imports from July 1 1992
- a unified regime of export taxes for energy and raw materials
- introduction in mid-summer of system of one fixed exchange rate for the rouble for all current transactions, plus one rate for capital movements. One western embassy recently calculated that there were at least 10 exchange rates in force in Russia at the moment.
- further tightening of the central bank's monetary-credit policy including an increase in reserve requirements for commercial banks to 20 per cent in April
- progressive tax on pay rises by state enterprises which exceed set norms
- more focused social subsidies for the worst off and the unemployed.

Mr Kagalovsky warned that the scope of the programme would have to be cut back if Moscow failed to receive substantial foreign financial assistance. He said this should include a stabilisation fund of $5bn-$6bn (£2.86bn-£3.34bn) which is being put together by individual western states, not by the IMF, for the rouble, and further debt relief to free resources for social welfare, stabilisation funds, and increased imports.

Britain has agreed to help Russia become a member of the International Monetary Fund, marking a further step forward in economic cooperation between the two countries, writes Peter Norman.

Mr Norman Lamont, the UK chancellor, announced yesterday that Britain would represent Russia's interests during the IMF's consideration of its membership application.

The move follows a request for British help from Mr Yegor Gaidar, the Russian finance minister.

Russia's application will be discussed soon by a committee of the IMF board of directors, which will also consider details such as the size of Russia's membership quota in the fund. Russia will make an initial presentation of its case to the committee and then leave Britain to argue the Russian case in detail. It is normal procedure for an applicant to appoint an existing IMF member to act on its behalf in this way.

Britain's goal is to secure Russia's membership of the IMF at the next meeting of the fund's policy-making interim committee at the end of April.

Mr Lamont, the UK chancellor, said he was "delighted" that Mr Gaidar asked Britain to represent Russia.

Ex-Soviet army unit prepares to quit disputed area

THE former Soviet army prepared yesterday to withdraw a rifle regiment caught up in the crossfire between Armenia and Azerbaijan over the disputed enclave of Nagorno-Karabakh, Reuter reports from Nagorno-Karabakh.

A military convoy entered Stepanakert, the enclave's capital, to help in the pull-out of the 366th rifle regiment.

Withdrawal of the force, bombarded for the last two weeks, could usher a new stage in the four-year conflict.

Two convoys, including one of 91 vehicles, rolled through Agdam, an Azeri town of 150,000 on the edge of Nagorno-Karabakh on their way to the 366th motorised infantry regiment's base in the enclave's capital, Stepanakert.

"They are going to get the others out of there," said a senior police officer in Agdam after the tanks and armoured personnel carriers had passed down the town's main street late on Sunday evening.

"Preparations for the withdrawal have almost been completed," said a spokesman for the Commonwealth command in Moscow.

The Stepanakert base has come under heavy fire and three soldiers have been killed.

But the Armenian president, Mr Levon Ter-Petrosian, said the withdrawal could spur Azerbaijani forces to step up attacks on the Armenian-populated capital.

"This regiment, though not involved in military operations, was a stabilising factor. I think this measure is poorly thought through," the president told the Armenian parliament. "Taking this force out could further destabilise the situation in Nagorno-Karabakh."

The pull-out was to begin once enough transport was readied to remove the unit's stores of weapons and ammunition. Azerbaijan and Armenia have been buying, stealing or "nationalising" CIS arms for their guerrilla war.

Treuhand sells half of state firms

GERMANY'S Treuhand agency said yesterday it had sold off close to half of the 11,427 former East German state companies or subsidiaries in what is the world's biggest privatisation programme, Reuter reports from Berlin.

"We have done just about half of our work," the Bonn government agency, overseeing the establishment of a market economy in the east since shortly before German unification in 1990, said in a statement.

The Treuhand said 5,584 concerns had been privatised as of February 1 and 5,843 remained in its stable. Most of the companies emerged from Communist rule gravely uncompetitive and have had to shed workers and rely on special subsidies to survive.

Some 1.15m jobs and almost Dm140bn (£49bn) in investment have been secured through privatisation of companies or properties, the Treuhand said.

It did not mention that eastern Germany's unemployment has soared from almost nil to 17 per cent.

Correction

Payment arrears

In the European Column of March 2, it was incorrectly stated that the outstanding payments to UK companies totalled £2bn. That figure represents total UK exports to eastern Europe. Payment arrears are substantially less.

Yeltsin to go on 'working holiday'

RUSSIAN President Boris Yeltsin will go on a two-week working holiday in southern Russia, his press secretary said yesterday, Reuter reports from Moscow.

Mr Yeltsin is due to leave today. Russian radio said his destination was the Black Sea resort of Sochi.

The spokesman denied the trip was connected with Mr Yeltsin's health. Suggestions that the president suffers from heart trouble or other health difficulties have caused concern within the Commonwealth of Independent States and abroad.

"He is not to going to embark on any new initiatives," the press secretary said. "He will work on documents for (next month's Russian) parliamentary session devoted to economic reform and other issues."

Three killed as violence flares again in Moldova

THREE people were shot dead yesterday as animosity between Moldova's Romanian-speaking majority and ethnic Russians flared into violence again, Reuter reports from Moscow.

Moldova's Interior Ministry said the head of a local Russian-speaking militia was among those killed in a shoot-out with police near a textile mill in Dubossary, in the breakaway Dnestr republic proclaimed by Russian-speakers.

The town was the scene of fighting between police and the militia last December in which at least five people died.

The Moldovan government, which promotes closer ties with neighbouring Romania, refuses to recognise the region's secession. It said the incident was contrived by "the leaders of Dnestr's separatist forces backed by reactionary forces" to undermine Moldova's application to join the United Nations.

Tension has run high for the past two years between ethnic Romanians and Russian-speakers who fear they will be overwhelmed if Moldova, a member of the new Commonwealth of Independent States, tightens its links with Romania.

UK tells Russia to release beef

Britain has told Russia it must release immediately hundreds of tonnes of British beef which have been stored in a Moscow warehouse for more than a month, a government minister said on Monday, Reuter reports.

Mrs Lynda Chalker, overseas development minister, responding to opposition criticism in parliament over the shipment, blamed the slow distribution on the European Community and what she called inadequate labelling and colour coding.

Some 2,000 ethnic Greeks demonstrate yesterday in front of the European Community headquarters in Brussels to oppose any EC move to recognise independence of the Yugoslav republic of Macedonia

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HANNOVER MESSE '92

Albania swept by tide of violent crime

By Judy Dempsey

MR Shkelzen Maliqui, head of the Social Democratic Party of the Yugoslav southern province of Kosovo, is unlikely to forget his recent visit to Tirana, the capital of Albania. While out walking, he was attacked by a gang of youths, robbed of his personal possessions, stripped of his clothes, and was forced to wait in a car until someone was kind enough to find him a pair of trousers.

Mr Maliqui's experiences pale into significance when compared to what is happening in the smaller towns and villages.

Mr Ilika Spiro, a reporter for Albanian radio, last week described a scene in the town of Pogradec, a few miles from the border with Macedonia and Greece, which stepped up its border security at the weekend.

"Thousands of people, mainly between 18 and 25, attacked the warehouses of the workers' supply enterprises, and the privately owned retail stores...the police tried to stop them. Then large crowds of people headed for the industrial area, broke into the warehouses and food and industrial products were looted. Two people were crushed to death, others have been injured."

Other correspondents, some from western countries, have had their cars stolen, have had to pay protection money to the police, and when possible, travel throughout the countryside with an armed guard.

These reports are broadcast every day by Albanian radio. They paint a picture of a country in which daily life has slipped into anarchy, partly as a result of the political and economic vacuum left by the violent overthrow of the communist system more than a year ago.

The chronic shortages of almost every food item and medical supplies have also led to random violence, especially among the youth, whose frustration grows as they see no possibility of emigrating.

Albanian radio recently reported how schools are no longer safe havens of education. For example, teachers and students from the north-western city of Shkoder last week protested against violence and terror in the schools after a local teacher was stabbed.

The shiploads of food sent in almost daily since September from neighbouring Italy and from the European Community appear to have had little impact in stabilising the country, which saw industrial production fall by over 50 per during the last half of 1991.

Residents from the city of Lushnje, about 45 km south of Tirana, blame old communist bureaucrats and the hated Sigurimi, or secret police, saying they are behind the demonstrations and violence in order undermine the opposition parties in the run-up to parliamentary elections due to be held on March 22.

"Bureaucracy and corrupt officials are to blame for the whole incident," a resident from Lushnje told state television. "The warehouses turned out to be full with goods which they had not distributed to the people. They deliberately opened the doors of the warehouses to cover their own tracks after stealing the goods for themselves," the local added.

Austria presidential campaign tiptoes past the issue

All parties agree the race for Waldheim's replacement should be a dignified one, writes Ian Rodger

IT IS no doubt a coincidence that a few cells of heavily-armed neo-Nazis have been uncovered in Austria in recent weeks just as the long-awaited campaign to elect someone to replace the embarrassing Mr Kurt Waldheim as the country's president gets under way.

But it is an ironic reminder – if one were necessary – that the last presidential campaign in 1986 turned sour after disclosures that Mr Waldheim had concealed his service in a German Wehrmacht unit that was implicated in war crimes in Yugoslavia and Greece during the Second World War.

The disclosures made Mr Waldheim a lame duck president from the day he took office, leaving him largely unable to fulfil the one specific responsibility given to him under the constitution – to represent his country abroad.

But the always delicate relations between the Social Democratic Party (SPO) and the Austrian Peoples Party (OVP) that have ruled in a "grand coalition" since 1986 meant the OVP-backed Mr Waldheim could no be removed – and he himself saw no reason to leave. Indeed, it is said in Vienna that the ageing former United Nations secretary general would have been delighted to stand for a second term.

However, all agreed that he should not, and that this presidential campaign should, above all, be a dignified one, aimed at restoring some prestige to this ceremonial office.

Streicher: well ahead with 40 per cent in the polls

"There will be no mudslinging," assures a campaign manager for one of the candidates.

Certainly, none of the candidates looks like a mudslinger. The favourite, Mr Rudolf Streicher, backed by the SPO, is an amiable tool-maker by trade who rose to head one of Austria's largest engineering companies, Steyr-Daimler-Puch, in 1986.

Following the Waldheim election debacle, Mr Franz Vranitzky, the chancellor and SPO party leader, shuffled his cabinet and brought in Mr Streicher to restore financial order as minister for the nationalised industries.

The industrialist was then handed the equally prickly transport portfolio and somehow managed to make friends in Tyrol while negotiating an Alpine transit treaty with the European Community.

The OVP has put forward Mr Thomas Klestil, a former ambassador to the US who, as head of the country's diplomatic service, won high praise for drafting the government's response to the Gulf crisis.

The Austrian Parliament has approved the first amendment to Austria's anti-Nazi legislation since 1945, reducing the minimum sentence for offences from five years to one.

It is designed to increase the number of successful prosecutions. Juries have been reluctant to convict because of the severe penalties. Since 1980, only 14 people have been convicted of Nazi-related offences.

The amendment has the support of all political parties as well as the international anti-Nazi organisations.

Waldheim: disclosures turned him into lame duck

Even the controversial Freedom Party (FPO), led by the right-wing populist Jörg Haider, has found a candidate who would be widely acceptable in Ms Heide Schmidt, a widely respected lawyer. And the Green Party has nominated Mr Robert Yungk, a distinguished pacifist intellectual.

Opinion polls put Mr Streicher well ahead with more than 40 per cent of the vote, followed by Mr Klestil with about a third. They are thus likely to make it into the run-off after the first ballot on April 26.

By all accounts, the campaign battle will be subdued, although there is the danger, according to some observers, that Mr Haider will get impatient with the realisation that his candidate may not get over 10 per cent of the vote, and so he will try to arouse passions.

Mr Haider has on a roll doing well in the past few months with his intoxicating rhetorical cocktail of right-wing ideas and xenophobic nationalism. The FPO piled up ever bigger scores in three regional elections last autumn, culminating in Vienna in November where it took 23 per cent of the vote and displaced the OVP as the runner up.

But this year does not look so bright for Mr Haider. Revelations in a weekly magazine last month of his attempt to bribe a rival into resigning have tarnished his image. Apart from the presidential election, the only other poll will be in the autumn in Lower Austria. There the OVP is still very much in control, and the FPO cannot hope to sustain the momentum it built up last autumn.

It would be rash to suggest that the extreme right-wing movement in Austria has peaked or that Austrian politics will slip back into the cosy compact among the two main parties and various vested interest groups that has prevailed for most of the post-war period.

For the moment, the SPO-OVP coalition looks secure, but only because the OVP has become so demoralised. It has been unable to find a way to reverse a long slide in its popularity despite three changes of leader in five years. Last November it slumped into third place in the Vienna city elections.

Part of its problem is that the natty Mr Vranitzky, who heads a calm and business-like government, has become extremely popular in his own right, and his SPO would probably improve its standing if the OVP quit the coalition and provoked an early election. In the past, the OVP might have joined forces with the FPO but this is no longer a credible option because everyone knows it could not get along with Mr Haider.

If the OVP's muddle continues, the long-mooted realignment in Austrian politics could begin to take shape before the next general elections in 1994.

Last month, Mr Martin Zumtobel, a little-known businessman from the far western province of Vorarlberg, launched the Economic Party, promoting deregulation and privatisation.

No one in Vienna seems to take Mr Zumtobel, a supermarket chain owner, too seriously but, as one political observer noted, he could be a stalking horse for others.

Socialist party worn out, says French poll

"WORN OUT" and "incompetent" are the two terms that spring most readily to French minds when asked to describe the ruling Socialist Party, according to an opinion poll published yesterday, Reuter reports from Paris.

The Sofres poll for the conservative daily Le Figaro also showed 61 per cent of voters want President François Mitterrand to resign after next year's parliamentary elections rather than serve out his term until 1995.

The poll was the latest bad news for the Socialists who are expected to fare disastrously in regional elections on March 22. Fifty-three per cent of those questioned described the party as worn out, while 28 per cent said it was incompetent. Only seven per cent said it was doing a good job in government.

The best thing the Socialists could do to win back popularity, the poll showed, would be to prosecute politicians embroiled in a nagging party financing scandal.

The second most popular remedy was to cut Mr Mitterrand's term from seven years to five. The 75-year-old president, in power since 1981, is at an all-time low in popularity ratings.

Mr Mitterrand has remained aloof from the regional election campaign, and aides have said he does not see the outcome as a significant judgment on his or the government's peformance.

But Le Figaro said in an editorial that Mr Mitterrand was being "crucified in his armchair" and that it was only a matter of time before radical political change occurred.

"France has begun a kind of hysterical pregnancy," the paper's editor Mr Franz-Olivier Giesbert wrote. "Nobody knows yet what will pop out at the end."

Irish 'want change' in abortion legislation

By Tim Coone in Dublin

AN OPINION poll published in Ireland yesterday shows that 66 per cent of voters are in favour of altering the country's strict anti-abortion legislation.

This represents a big shift in public opinion since the right-to-life amendment to the constitution was overwhelmingly approved in a referendum in 1983 by a nine-to-two margin.

The poll was commissioned by the Irish Times, and carried out by the Market Research Bureau of Ireland (MRBI) after the recent controversy over a High Court injunction which prevented a 14 year-old rape victim from travelling to Britain for an abortion. The injunction was overturned last Wednesday by the Supreme Court.

The poll shows that only 30 per cent of voters wish to retain the right-to-life article in the constitution, 48 per cent are in favour of amending it, and 18 per cent want it removed altogether. Only 4 per cent were undecided.

It also shows 52 per cent of the population are in favour of a new referendum on the issue.

Mr Albert Reynolds, the prime minister, said a referendum was low on his list of priorities following the Supreme Court ruling. The Supreme Court is expected to publish the reasons for its ruling this week.

Of particular interest is how the ruling may affect Ireland's ratification of the Maastricht Treaty. Ireland has negotiated a protocol to the treaty, which will prevent EC legislation from overruling Ireland's anti-abortion stance.

Dr Desmond Connell, archbishop of Dublin, equated "the spread of permissive legislation on abortion" with the kind of abuses carried out "under Nazi and communist rule".

EBRD to fund Polish privatisation project

By Christopher Bobinski in Warsaw

THE European Bank for Reconstruction and Development (EBRD) yesterday said it would contribute funds to Poland's ambitious mass privatisation project.

Mr Jacques Attali, president of the London-based bank, called the privatisation project "complex and well conceived", and said funding would be approved "as soon as possible". He declined to disclose specific amounts or dates.

Under the scheme between 200 and 400 state sector companies will this year be handed to western-managed investment funds, shares of which will be sold at a nominal charge to Poles.

According to Mr Guy de Selliers, a deputy head of the EBRD, the bank might provide finance for the funds, which are expected to be staffed by western merchant bankers "at the initial stages when there will be a liquidity problem".

Loans would also be made available to the cash-strapped Polish companies involved in the scheme.

During his visit to Warsaw to open an EBRD office Mr Attali also met Mr Jan Olszewski, the prime minister.

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INTERNATIONAL NEWS

Israel's opposition hopes to gain from Likud feuds

By Hugh Carnegy in Jerusalem

ISRAEL'S opposition Labour party, re-unified under the new leadership of Mr Yitzhak Rabin, yesterday seized on bitter feuding within the ruling Likud party of Prime Minister Yitzhak Shamir to fuel its increasingly confident campaign for the June 23 general election.

A complex internal – but very public – contest for top places in the list of election candidates has led to a prolonged struggle between senior Likud leaders that has given party hardliners prominence.

A furious Mr David Levy, the foreign minister who has been the most enthusiastic advocate of Middle East peace talks in the government, accused Mr Shamir of assisting in "a conspiracy" against him in the party elections.

After coming second to Mr Shamir in the election for leader, Mr Levy, the incumbent deputy, was outflanked in the separately-polled race for the number two spot when Mr Moshe Arens, the defence minister, and Mr Ariel Sharon, the housing minister, combined forces to ensure they both finished ahead of him.

"The results express a move toward the extreme in Likud positions," said Mr Rabin, who is promising to move quickly to an agreement with the Palestinians on the occupied territories and mend relations with the US if Labour is elected.

Mr Shimon Peres, who has greatly enhanced Labour's new-found unity by graceful acceptance of being ousted as party leader by Mr Rabin last month, said the Likud feuding would benefit Labour.

"The minute they take out the swords and point them at each other, they are making a mistake and sooner or later the Likud will pay for it," he said.

Mr Levy's humiliation at the hands of Mr Arens – a close ally of Mr Shamir – and Mr Sharon enraged his supporters in the Likud who are largely drawn from the less well-off Sephardic, or Oriental Jewish communities. They have previously been assiduously cultivated by Likud leaders as a bedrock of the party's success over the past 15 years.

Recently, however, leading Sephardi Likud members have become increasingly critical of Mr Shamir's leadership. Some went so far yesterday as to threaten to switch to Labour. They are especially concerned at the state of the economy, which Labour argues has been neglected by Mr Shamir in favour of his commitment to settlement in the occupied territories.

Bethlehem graffiti: An Arab man yesterday passes a Palestinian nationalist slogan reading: "No peace without my land".

Western creditors agree to reschedule part of Jordan's $7.2bn debt

THE Paris Club of official western creditors has agreed to reschedule part of Jordan's $7.2bn foreign debt, a minister said yesterday, Reuter reports from Amman.

The accord reached on Friday provides a 10-year repayment period with ten years' grace for official debt originally due for repayment between 1991 and mid-1993, Mr Ziyad Fariz, the planning minister, said.

Jordan would repay government-backed loans over 15 years, including an eight-year grace period, he added.

Mr Fariz would not provide further details but a Jordanian economist said $1.4bn of Amman's $5bn official debt had been rescheduled.

Financial officials had said a rescheduling would cut interest payments this year to about $700m from $1.3bn.

"What we got means support to the economy and confidence in the ability to perform well in the coming years," Mr Fariz said.

Mr Basil Jardaneh, the finance minister, and central bank officials are expected to return this week after holding rescheduling talks with the London Club of commercial creditors.

Jordan also said yesterday that the US had agreed to provide $20m in soft loans to buy 115,000 tonnes of US wheat.

It said the terms of the loan included seven years' grace followed by a repayment period of 24 years.

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EC free trade with Maghreb sought

By David Buchan in Brussels

THE EC should try to establish with key North African countries the same free trade and close political dialogue as it is seeking with central Europe, a senior EC official told the Twelve's foreign ministers yesterday.

Mr Abel Matutes, the commissioner in charge of Mediterranean policy, said the Maghreb presented the Community with the same explosive potential on its borders as central Europe, but without the same political direction and technical skills.

He called for EC free trade with Algeria, Morocco and Tunisia, and a wide-ranging political dialogue which would not dodge the sensitive issue of human rights in these three Maghreb countries. The initiative, born in part out of EC problems with Morocco, was partly endorsed by ministers.

But France took the lead in urging caution in moving to free trade, which could pose competitive problems for southern Europe's farming and textile sectors.

Nonetheless, Mr Matutes, who will visit Morocco next week, was encouraged to develop his idea further. The Maghreb's economic and political problems, and the threat of migration they pose to the EC, have moved steadily up the Community agenda, since the Commission proposed a new Mediterranean policy in 1990.

This involves Ecu4.5bn (£3.19bn) in aid and loans for 1992-96. However, none of this money has yet been spent, because of Greece's worries that much of it would go to Turkey. Ministers were yesterday unable to resolve this snag.

Tariq Aziz set to lead Iraqi team at UN

By Mark Nicholson, Middle East Correspondent

UNITED NATIONS diplomats said yesterday they believe Iraq will meet a UN deadline to send a delegation led by Mr Tariq Aziz, deputy prime minister, to New York next week to discuss Baghdad's compliance with resolutions demanding elimination of weapons of mass destruction.

However, officials insisted the UN Security Council would proceed with a discussion of Iraqi compliance with the resolutions next week, whether or not an Iraqi delegation meets the council's deadline to attend.

British officials said the meeting would send Iraq the message that anger at its prevarication over the UN resolutions is shared across the 15-member council and "that it's not just the case that the whole show is being run by the US, backed by Britain and France".

Iraqi officials, should they attend, are expected to argue that the economic embargo against Baghdad should be lifted in parallel with compliance with the UN resolutions. The Security Council will insist, however, that the embargo must remain in force until Iraq has complied in full with its orders.

In Baghdad, Mr Aziz said Iraq had pursued the "objective, accurate implementation of (UN) measures".

In an Iraqi newspaper, he said he would tell the council that it would approve if the UN aimed to implement Resolution 687. "But if your objective is to annihilate Iraqi industry and deny Iraq the chance of becoming a prosperous industrial country, that would be a different matter."

Saudi ruler faces up to change

Roger Matthews assesses an historic development for the kingdom

WHILE the physical infrastructures of the oil-rich monarchies of the Gulf have been transformed in the past three decades, their political institutions have been notably resistant to change, and nowhere more so than Saudi Arabia.

The announcement on Sunday by King Fahd of several decrees, including the formation of a Consultative Council, therefore marks what is for the kingdom an historic development, even if for the western world it may appear to be little more than a cosmetic change.

There is nothing new in the idea of a consultative council. King Fahd first mooted the proposal ten years ago on his accession to the throne. However its introduction has been spurred by the pressures on the kingdom caused by the Gulf war.

The war accelerated trends already visible in the Saudi economy and in its political life. It is these that King Fahd is now seeking to answer.

Saudi Arabia is still a wealthy country but much less so than it was. Gross domestic product last year was only two-thirds of the level in 1981. It has run a budget deficit for each of the past ten years, and in 1991 borrowed abroad for the first time.

Although oil income increased sharply in 1991, as output topped 8m barrels a day to compensate for the drop in supplies caused by the occupation of Kuwait, revenues are still well below the level of the early 1980s.

With foreign currency reserves available to the government standing at less than $10bn, there is little room for economic manoeuvring. In other words, Saudi Arabia has acquired many of the characteristics of other world economies and will require more sophisticated management.

However, there remains one substantial difference. The ruling family in Saudi Arabia feels obliged to provide virtually all public services free of charge. Modest attempts at finding alternative sources of revenue have failed to win public support and the government has recoiled from the risk of unpopularity. Some local economists argue that the nettle will have to be grasped before too long, especially if the defence establishment's appetite for more sophisticated weaponry is not curbed.

A consultative council with the power to suggest new laws would obviously be a convenient vehicle through which potentially divisive measures could be introduced.

The council also has the potential to answer wider political demands. Saudi Arabia's fast-growing population is being far better educated, and is frustrated by the incompetence, waste and sometimes corruption at official level. At the same time, the interests of the religious right, the natural political enemy of the liberals, have been broadened. Both challenged the ruling family in after the Kuwait invasion.

The most obvious symbol of the liberal challenge came from 45 women who drove cars through the centre of Riyadh in defiance of the law.

Taking advantage of such a large western presence in the kingdom, including hundreds of journalists, they hoped to shame the government in allowing greater freedoms. Not only did they fail in their attempt but they also stirred up the religious right who were furious at this attempt to undermine their own perceived authority on social issues.

One of the main anxieties of the religious establishment has been that the consultative council would be the structure used by the liberals to gain political advantage. Faithful to his extremely cautious nature, King Fahd has delayed for at least six months the naming of the 61 members of the council, thus rendering impossible any attempt at assessing its political complexion. However it can be assumed that it will be an exercise in political balance.

This same principle is also extended to the ruling families. In a further decree announced on Sunday King Fahd has to an extent formalised the method of nominating future monarchs. The process will remain very much within the family, but it does appear to answer the criticisms of some members who feared they were being ignored.

Political evolution in Saudi Arabia is under way but the pace of likely development can best be measured against the enormity of events required to get it started.

INTERNATIONAL NEWS

Jakarta's push for growth is postponed

Claire Bolderson on emerging problems for Indonesia's economy

TWO YEARS ago, Indonesians referred to "the take-off era" as being a matter of fact and only months away. But a rapid push towards a developed economy has become a more distant ambition as the country tackles reality.

After tremendous growth and economic liberalisation, Indonesia faces long-term problems that are products of its size, diversity and ethnic composition and other short-term ones derived largely from the speed of its economic success.

It is also entering an uncertain time as it awaits a decision from President Suharto, who is 70 years old and has been in office for 25 years, on whether he will stand for a further five-year term next year. There is every indication that he will.

Whether he stays or goes, the government, with one eye on developments in eastern Europe, knows that pressures for change to the rigid and authoritarian political system are likely to grow.

Suharto: term end next year

The military, which has been the president's principal power base and has had a guaranteed role in political decision making, the government administration and the economy, is having to face the fact that it is not ideally equipped to hold such a position in the modern, industrialised nation that Indonesia is striving to become.

Mr Jusuf Wanandi, who heads the Jakarta based Centre for Strategic and International Studies, says: "In a modern society the armed forces' role has to change. You can't be the best artillery man in town and the best politician."

Political certainty has been important to Indonesia in its drive for foreign investment and aid since the late 1960s. General elections in June, though billed locally as "the feast of democracy", are unlikely to provide any upset. Golkar, the part political party-part bureaucratic organisation which is in effect a government election machine, will win, though possibly not with quite as much as the 73 per cent of the vote it received five years ago.

Questions about Indonesia's political future are mounting just as its leaders are beginning to confront economic realities.

The remarkable success in diversifying the Indonesian economy after oil prices crashed in the mid-1980s has prepared the ground for a modern export-led economy, but it has also created new pressures and drawn attention to obstacles.

After big increases in foreign investment and imports just as non-oil exports growth was slowing, the World Bank said in its annual report on Indonesia last year, "developments during 1990 demonstrate how aggregate demand pressures could build up and generate balance of payments difficulties and inflationary pressures."

Inflation in 1991 was nearly 10 per cent and the current account deficit rose to over $5bn, almost double the previous year's figure. A tight money policy sent interest rates soaring, contributing to a rapid fall of the fledgling stock market.

Infrastructure problems, most particularly the lack of electric power on the main industrialised island of Java, have become increasingly acute.

Indonesia has $70bn in foreign debt. The World Bank said sustained growth will require "continued high levels of financial support from the donor community".

Indonesia's technocrat managers are aware that they have to act to get things under control and some difficult decisions have been made. Last October, about $80bn worth of planned infrastructural and petrochemical projects were cancelled because of concerns about the amount of foreign borrowing that would be needed to finance them.

The 1992-93 budget announced earlier this year also sought to bring the economy into line and contained no pre-election give-aways. On the contrary, taxes and tax collection are to be enhanced in an effort to promote greater self-reliance. Foreign borrowing will be cut by 8 per cent, fuel subsidies will be abolished and the real increase in spending is to be kept to a modest 3 per cent.

The more intractable long-term problems, however, are difficult to address. The government has the constant headache of finding jobs for the more than 2m people who enter the workforce every year and, more significantly, of educating and training them in skills needed in an industrial economy. Technical training is poor and good quality managers are hard to find.

As a result, Indonesia attracts investors in labour intensive industries such as textiles and footwear where wages are low and where the workforce can contribute little in terms of purchasing power.

Indonesia's geography also presents problems. In Jakarta, the growing number of glittering office blocks reflect Indonesia's new economic sophistication. But more than 2,000 miles away in the province of Irian Jaya, naked tribespeople wander the rugged mountains barely eking out a living.

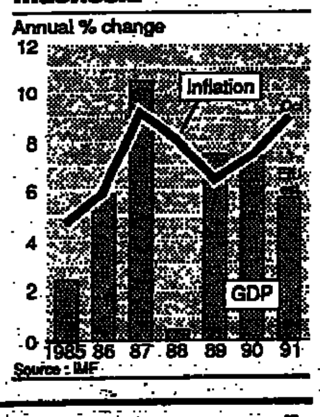
Bringing those people and others scattered in isolation around the huge archipelago into the development process is a daunting task. Telecommunications, transport and electricity links are poor to non-existent in some provinces. The heavily centralised political system means decision making is slow and regional needs are often misunderstood.

Dr Doradjatun Kuntjoro Jakti, an economist at the University of Indonesia, says there is a need to use tax and trade incentives to create special areas for development in places such as Irian. "We should give them special status to capitalise on the rise of the Pacific era" he says.

Disparities in wealth are not only regional. The growing "social gap" between the new rich and the poor is a cause for concern most particularly because it fuels existing ethnic tensions. Most of Indonesia's bug business conglomerates are owned by members of the small ethnic Chinese community and resentment of their wealth among indigenous or *pribumi* Indonesians runs high.

The Chinese are well aware of that and of the fact that when an attempted communist coup triggered a wave of bloody vengeance in 1965 their race was singled out for attack. The temptation to deposit their wealth outside Indonesia is therefore difficult to resist.

Indonesia



Source: IMF

Mongolia reform spurred

MONGOLIA'S ruling People's Revolutionary Party ended its 21st congress at the weekend determined to boost the democratic and economic reforms wrenching the country from 70 years of communism, Reuter reports from Ulan Bator.

It adopted a new platform of "centrism", based on Buddhist avoidance of extremes, to replace the Marxism-Leninism that Mongolia rejected in 1990.

The communist ruling party won a parliamentary majority in elections in 1990 but has since shared power with a democratic opposition. The country faces elections in June for a new 76-member single-chamber parliament.

The second largest political party, meanwhile, has decided to leave the government coalition because of the slow rate of economic reform. Mr Erdenin Bat-Uul, chairman of the Mongolian Democratic Party, said his party had decided to mount a formal opposition challenge.

Britain will stand up for Hong Kong's interests until its handover to China in 1997, Lord Caithness, British foreign office minister for the colony, promised yesterday, Reuter reports.

The minister pictured left yesterday with Mr David Thomas, police commander of Shek Kong refugee camp, said the UK hoped for "an undramatic transfer of power", but stressed this did not mean it would give way to all China's demands for Hong Kong. "We do not intend to give way on everything simply to achieve convergence," he told a British Chamber of Commerce lunch. The minister also reaffirmed Britain's commitment to keeping a strong commercial presence in Hong Kong after 1997.

NEWS IN BRIEF

Japanese vehicle sales fall 3.3%

Japanese vehicle sales, excluding mini vehicles, were estimated at 458,618 in February, down 3.3 per cent from a year earlier, an official for the Japan Automobile Dealers Association (Jada) said, Reuter reports from Tokyo.

February marked the 10th straight month of year-on-year declines in domestic vehicle sales. But sales were up 44.8 per cent from 316,775 in January when they fell 0.9 per cent from a year earlier. Vehicle sales in January are usually lower than in other months because *there are fewer business days.*

Sales of imported vehicles in Japan fell 14.6 per cent from a year earlier to 12.720 units in February.

Burmese rebels bombed

The Burmese air force pounded Karen guerrilla headquarters for a fifth consecutive day yesterday to try to relieve pressure on Rangoon troops under siege in the Manerplaw jungle, Reuter reports from Mae Sariang, Thailand. A Thai army source based opposite the ethnic Karen headquarters told Reuters by telephone that four aircraft pounded Manerplaw yesterday morning after making eight sorties in the area on Sunday.

Cameroon opposition gains

Partial results yesterday from Cameroon's first free elections in 32 years showed a strong showing by the only major opposition party to take on President Paul Biya's authoritarian government, AP reports from Yaounde, Cameroon

All the other leading opposition parties had boycotted Sunday's legislative elections, claiming electoral laws would ensure a Biya victory.

Mutiny protest halts Niamey

A general strike brought business and traffic to a halt yesterday when people protesting against a mutiny by unpaid soldiers ignored appeals from the government and the army chief of staff to come to work, AP reports from Niamey, Niger.

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AMERICAN NEWS

Hopefuls struggle in political mass market

Bush still has to deal with an aggressive Buchanan in Georgia, writes George Graham

DEMOCRATIC and Republican presidential candidates embarked yesterday on a last day of whirlwind campaigning before today's round of primary and caucus voting.

Seven states will cast their votes today in the Democratic nomination race, and five in the Republican race, promising the first significant indication of the breadth of support for the rival candidates.

On the Republican side, Mr Patrick Buchanan, the outspoken right-wing television commentator, renewed his attack on incumbent President George Bush.

The president sorely needs to beat off Mr Buchanan's challenge by defeating him roundly in Georgia, but must contend with Mr Buchanan's overt appeal to white racism in the state.

Among the Democrats, former Senator Paul Tsongas of Massachusetts and Governor Bill Clinton of Arkansas fought to preserve their lead over their rivals Senator Bob Kerrey of Nebraska, Senator Tom Harkin of Iowa and former Governor Jerry Brown of California.

Until now, the nomination battle has been fought step by step in four states that rank among the smallest and most atypical in the US.

Together, Iowa, New Hampshire, Maine and South Dakota account for only 3 per cent of the delegates to the Democratic party's nominating convention, and fewer than 4 per cent of the Republican party's delegates.

They also number among the most ethnically homogeneous states in the nation, with a black population ranking below 1 per cent.

Today's seven state contest, dubbed "Junior Tuesday," will decide another 10 per cent of convention delegates, and mark a shift from the retail politics of New Hampshire to a different kind of political mass marketing.

Most of the attention is focused on Maryland, Georgia and Colorado, which along with Utah for the Democrats hold primaries, since these secret ballots provide more of a plebiscite for candidates.

Senator Tsongas and Governor Clinton are battling for the lead among the Democrats in these states, with the former ahead in Maryland and Colorado and the latter comfortably in the lead in Georgia.

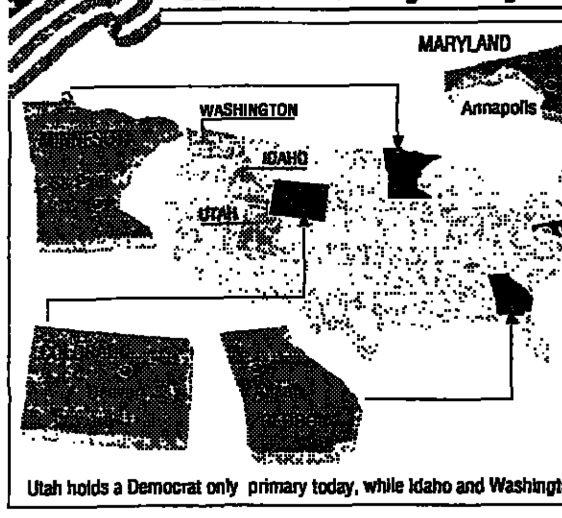
For the Republicans, the battle has been concentrated in Georgia, since Mr Buchanan has been unable to get his name on the ballot in many states.

But candidates can also boost their campaigns in states which allot their delegates in closed party caucus meetings – especially Minnesota, where Senator Harkin is mounting a strong bid with substantial backing among trade unionists and party activists who take part in such caucuses.

Another four states vote on Saturday, followed by March 10's Super Tuesday contest, when eleven states will vote. They include Texas and Florida – after California and New York the two most populous states in the nation – and between them account for 20 per cent of the Democrats' convention delegates and 23 per cent of the Republicans.

By March 17, when primaries take place in Illinois and Michigan, two heavily populated Midwestern states, nearly half the delegates to the Democrats' July convention in New York and to the Republicans' August gathering in Houston will have been decided.

'Junior Tuesday': Key contests



	MARYLAND	GEORGIA	COLORADO	MINNESOTA
Unemployment				
1988	4.5%	5.8%	6.4%	4.0%
1990	5.9%	5.0%	5.0%	5.1%
Food Stamp recipients				
Sep 1988	248,000	493,000	208,000	248,000
Sep 1991	323,000	704,000	243,000	292,000
Number of delegates				
Democrat (% of total)	80 (1.9%)	88 (2.1%)	54 (1.3%)	87 (2%)
Republican (% of total)	42 (1.9%)	52 (2.4%)	37 (1.7%)	32 (1.5%)
Result at last Presidential election				
Republican	51%	60%	53%	46%
Democrat	48%	40%	45%	53%

Utah holds a Democrat only primary today, while Idaho and Washington hold caucuses

Source: Bureau of Labor Statistics, and Congressional Quarterly

> All the Democratic campaigns are running low on funds and badly need the impetus of victory

Some political analysts believe it is possible that no clear Democratic nominee will have emerged by then. Yet all the Democratic campaigns are running low on funds and badly need the impetus of a victory today and over the next two weeks.

Mr Clinton, whose campaign has been the best financed and organised among the Democrats, is in some ways the best placed to persevere. His bid will, however, be severely weakened if he cannot demonstrate a capacity to win heavily in the southern states which dominate the next two weeks' voting and which are viewed as his home turf.

By winning in either Colorado or Maryland, Mr Tsongas could gain enough momentum to carry him forward from his New Hampshire victory.

Mr Tsongas has touted his "electability" as a candidate who can draw alienated Republican voters. "There are lots of Republicans out there who will come to us if we give them a home," he said in a debate with his rivals on Sunday.

This tactic may be less productive in Maryland, whose local rules allow only registered Democratic voters to take part in the Democratic primary.

Mr Clinton renewed his attack on Mr Tsongas's economic policies as "the 1980s style approach" as he campaigned in Maryland yesterday. He appears to have gained ground there in the last few days, though Mr Tsongas is still expected to win the state.

Mr Kerrey could be weakened if he fails to win a single state today, while Mr Harkin is so short of money that he may not be able to sustain his campaign, even if he wins delegates in Minnesota.

Mr Brown, after winning less than 10 per cent of the vote in two consecutive primaries, risks losing the federal funding which matches campaign contributions unless he can score higher than 20 per cent in a subsequent primary. Democratic party officials, however, fear that his populist campaign will be able to survive on a shoestring budget.

On the Republican side, the battle is not so much over this year's nomination, which President Bush is expected to win overwhelmingly, as over the party's direction into the 1990s.

Mr Buchanan claims that his performance in New Hampshire, where his losing score of 37 per cent to Mr Bush's 53 per cent was hailed as a moral victory, has pushed the president's campaign to the brink of disaster.

"I think one more New Hampshire-type victory down here in Georgia and the whole thing could collapse like a house of cards. Now, that is not our expectation, but it is our hope," he said yesterday.

All the same, Mr Buchanan is reckoned to stand little chance of winning even a single state against the Republican party establishment. Even right-wingers critical of some of Mr Bush's policies have rallied round the president.

A supporter uses a Bush campaign poster as a sunshade on the historic waterfront of Savannah

Adams pulls out of Senate race

By George Graham

SENATOR Brock Adams of Washington has pulled out of his bid for election to a second Senate term after being accused of sexual harassment of employees and political associates.

The Democratic senator said that it was "not worth it to continue this campaign," but denied the allegations, which he said had been created "by people who hate me."

The Seattle Times, the principal newspaper in Mr Adams' home state, reported that eight unidentified women had accused the senator of kissing and fondling them. One said that he had drugged and then raped her.

Mr Adams, who sat for 12 years in the House of Representatives before serving as transportation secretary under President Jimmy Carter, was already considered to have been weakened by a similar sexual harassment allegation made in 1987 by a former congressional aide.

No charges were ever filed, and the US district attorney found the allegation "without merit." Nevertheless, Mr Adams' position was badly damaged.

Mr Adams' seat has been regarded as one of the best opportunities for a Republican challenger to cut the Democrats' 57-43 majority in the Senate, along with that of Senator Timothy Wirth in Colorado.

However, the Democrats are mounting strong challenges in at least seven Republican-held states, and now stand a good chance of expanding their Senate majority.

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- ☐ 2-5 June 1992 BroadcastAsia '92 (*AIF)
- ☐ 17-20 June 1992 Biotech Asia '92
- ☐ 25-28 June 1992 The PC Show '92
- ☐ 8-11 July 1992 Asia Fastener '92/Hardware '92
- ☐ 7-10 August 1992 The Singapore International Dental Exhibition & Conference (SIDEC '92)
- ☐ 15-18 September 1992 Second International Conference on Automation, Robotics and Computer Vision (ICARCV '92)
- ☐ 23-26 September 1992 Internepcon/Semiconductor Asia-Pacific '92 (*AIF)
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Noriega aided CIA says station chief

By Henry Hamman in Miami

A FORMER Central Intelligence Agency station chief in Panama said yesterday the organisation had "encouraged and appreciated" the assistance of General Manuel Antonio Noriega, particularly in passing on information about Cuba and President Fidel Castro.

The CIA station chief, Mr Donald Winters, is testifying on behalf of Gen Noriega, the former Panamanian strongman, at his drug trafficking trial in Miami.

His testimony is likely to form part of the defence effort to portray the general as a US ally.

Mr Winters, who arrived in Panama in mid-1984, said he held a meeting with Gen Noriega on 12 June 1984 at which the general told him he had been invited by Mr Castro to visit Cuba.

Mr Winters said Gen Noriega did not at the time believe he could personally accept the invitation but would send emissaries to meet Mr Castro.

Gen Noriega requested the CIA prepare a briefing paper for the visit which would include "slanted assessments" of the situation in Nicaragua and El Salvador.

Mr Winters also said Gen Noriega accepted an invitation for a private visit to CIA headquarters in Langley, Virginia. Mr Winters said he met Gen Noriega again on 16 June to pass on the requested briefing paper. Mr Winters said the CIA viewed the request for the briefing paper as an opportunity.

Mr Winters said later Gen Noriega decided to make the visit to Cuba himself. The prosecution has alleged that Gen Noriega's visit was actually made to resolve conflicts he was having with the Medellín cartel, using Cuba as a mediator.

Poverty persists in rural communities

RURAL America from Appalachia and the Mississippi Delta to farming communities on the northern Plains is dotted with pockets of poverty that rival inner-city ghettos in depth and persistence of deprivation, according to a study released yesterday, AP reports from Washington.

The Population Reference Bureau said its study disputes the popular notion that America's underclass is entirely urban.

"The changing role of American workers within a national and international economy is at the root of many of the problems being experienced by the poor in cities and rural areas," the report said.

"Mechanisation, automation, and the exportation of jobs to countries with cheap labour are eliminating the need for workers with little education."

According to the study, more than 3m adults aged 19 to 64 were in the underclass in 1990. Nearly one-quarter of this population – approximately 736,000 adults – lives in rural areas.

The study defines the underclass as adults who have not completed high school and who receive public assistance. If female, they are never-married mothers, and if male, long-term unemployed.

The make-up of the rural underclass is different from that of the urban underclass. The rural underclass is 55 per cent white, compared with 17 per cent in cities. About one-third of the rural underclass is black, compared with nearly half of the urban underclass. Overall, blacks make up about 12 per cent of the population.

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AMERICAN NEWS

US strikes blow at Canada free trade deal

By Nancy Dunne in Washington

THE US Customs Service yesterday struck a blow at the US-Canada free trade agreement by formally ruling that the content of Honda Civics shipped from Canada to the US will be subject to a 2.5 per cent import duty.

About 75,000 Honda Civics are manufactured in Ontario for export to the US each year. A Customs Service audit found that the cars did not contain the 50 per cent North American content required for duty-free treatment.

The ruling has infuriated Canadian officials, who have been trying to convince their voters that the loss of thousands of jobs since the start of the FTA three years ago was due to recession rather than the pact. The decision could make it harder to convince Canadian voters that the North American free trade agreement (Nafta) with the US and Mexico will benefit their economy.

A ruling by the Commerce Department, expected on Friday, could create further rancour if the US levies new duties of up to 15 per cent on Canadian lumber. This could bring counter retaliation from Ottawa and an escalation in the trade crisis, which also includes disputes over beer and magnesium.

The long-delayed Customs Department audit found that the engine blocks, produced in Marysville, Ohio, and exported to Canada for re-export to the US, did not contain sufficient North American content. The US and Canada have been unable to agree on what constitutes local content.

The manager of the engine plant, Mr Al Kinzer, was quoted as calling the result of the audit "baffling". He said: "We know these are American engines. We make them in Ohio from aluminum ingot and molten iron. We do not understand Customs' rules that do not count basic manufacturing processes such as the casting and machining we do at our engine plants."

Mr Scott Whitlock, executive vice-president of Honda of America said the ruling was a severe setback for US-Canada free trade.

Mexico's growing intimacy with World Bank

Damian Fraser on the relationship between the world development institution and its biggest customer

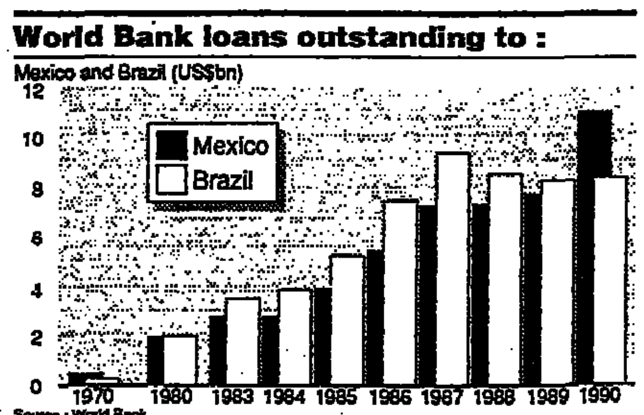
WHEN President Carlos Salinas decided to overhaul Mexico's antiquated agrarian laws, officials from the agriculture ministry called their friends in the World Bank to ask them for advice.

The World Bank wrote issue papers; the Mexicans responded in kind. Draft laws were written and re-written. Eventually a constitutional amendment was drawn up, and passed late last year. The laws governing the new constitutional article were passed last week.

Such intimate collaboration hardly raises an eyebrow in Mexico these days. The World Bank has closely advised Mexico on most of its economic reforms in the past decade – on trade opening in 1985, on the debt deal in 1989, and now on education, agriculture and the environment.

In the last fiscal year, which ended June 30, the World Bank approved more non-poverty loans for Mexico than any other country. Approvals totalled $1.882bn, an impressive $927m more than Brazil, for instance.

World Bank involvement in Mexico came into its own in the mid-1980s, when Mexico came to depend on World Bank money – its largest source of foreign capital. From money followed advice. In 1985 Mr Fred Berger, then the bank's chief Mexico economist, wrote a five-page memorandum that, according to one bank official, "had a substantial impact in helping them change their trade policy". Mexico soon afterwards announced it was going to join the General Agreement on Tariffs and Trade, and received three tranches of $500m trade adjustment loans to ease the pain.



Source : World Bank

But what happened afterwards explains why the Mexican state has become the darling of the bank's economists (and its major shareholder, the US). Mexico went much further in reducing its trade barriers than the bank required.

As in other policy areas, including agriculture, the World Bank influence only came to bear because the Mexican government was itself convinced of the need to press ahead with the reforms. Mr Rainer Steckhan, director of the Mexico and Central America department at the bank, stresses "It was a home-grown programme; that was the secret".

Working together, the World Bank-Mexico team has proved to be extremely effective in achieving its goals. The 1989 debt deal – which, with hindsight has clearly been crucial to Mexico's successful economic stabilisation – was very much part of the Salinas plan. But the accord was facilitated by the bank.

In June 1989, the bank – strongly supported by the US Treasury – approved three loans for $500m each in record time. This (plus similar International Monetary Fund loans) was designed to be a big show of support for Mexico, says a bank official, and a warning to the commercial banks that Mexico would be lent money even if it was in arrears in interest payments to them. With a deal struck, the bank then put up $2bn in enhancements to support the debt reduction. All along there was a lot of behind-the-scenes advice between the bank staff and the Mexicans.

Since then the bank role in Mexico has changed, although it is no less important. In June last year, it approved what should be its last adjustment loan to Mexico, an agricultural sector loan of $400m. Such adjustment loans are meant to encourage structural reform of the economy, or the reform of specific economic sectors.

In future, World Bank money will be geared to broad-based project lending, such as on primary education, drainage, irrigation, sanitation and so on. "We have shifted emphasis," says Mr Steckhan, "in line with shifting Mexican needs."

The bank is now working with the government on how to support the agricultural sector if, as is likely, barriers to maize imports are eliminated as part of the the North American Free Trade Agreement. The bank will target money – and advice – on improving the quality of land through irrigation, while simultaneously offering income supports to the hardest-hit farmers.

The World Bank's role in the

The World Bank does not need to force Mexico to do anything; the two sides agree on almost everything

environment is relatively new, reflecting both changes in priorities in both Mexico and the bank, and has not been without friction. Mexico City's environmental planning office complains about the mountains of paperwork the bank requires before going ahead with a loan. The bank in turn would like the government to use more market-based mechanisms – such as taxes on pollution – in its effort to clean the city's air.

Nevertheless, the bank is at the point of approving a loan of up to $200m to help Mexico City clean up its air, money which will partly fund lead-free gas, new buses and taxies, and more technical studies.

The Mexican government is understandably sensitive to accusations that it is marching to World Bank running orders. Mr Angel Gurria, Mexico's under-secretary of finance, readily concedes the bank economists can be influential, but only because they are able technicians, often "the best people in the world". As he says: "If you are convinced you are doing the right thing, often they will tell you how to do it better".

But he says: "It is not credible that the World Bank forces the Mexican government to do anything". As Mr Gurria points out, the bank only has the capacity to make between seven and 10 Mexican loans a year, while Mr Gurria can think of scores of projects the bank would like to finance. So if the bank turns down one project because it does not like government policy in that area, Mr Gurria will just offer another project, and so on, until the target $2bn of loans is used up.

A more significant reason is that the bank does not need to force Mexico to do anything; the two sides agree on almost everything. Mr Gurria says that World Bank economists and Mexican officials often spend weekends together brainstorming on policy issues. Many are the graduates of the same US universities, and friends.

Aids co-discoverer under investigation

By Clive Cookson, Science Editor

DR Robert Gallo, US co-discoverer of the Aids virus, faces new investigations for alleged patent fraud and perjury on top of a long-running inquiry into alleged scientific misconduct at his laboratory in the National Institutes of Health (NIH).

The latest federal investigations are expected to focus on patent documents and sworn statements which Dr Gallo made in connection with a 1987 agreement between the US and France.

That agreement was supposed to settle the vexed issue of who discovered the virus (now known as the Human Immunodeficiency Virus or HIV). Dr Gallo and Professor Luc Montagnier of the Pasteur Institute in Paris would share scientific credit for the discovery, and royalties from HIV tests would be divided equally between the two countries.

However, it has emerged since then that the virus originally isolated in Dr Gallo's laboratory in 1983/84 was derived from a sample sent by Prof Montagnier in France.

Although Dr Gallo's cell culture may been contaminated accidentally by the French virus, his critics allege that his sworn statements deliberately concealed the similarity between his virus and Prof Montagnier's.

Dr Gallo has always insisted that his discovery owed little to the French work. He now maintains that he believed in 1983/84 that the two viruses were quite different.

The initiative to pursue the allegations of patent fraud and perjury comes mainly from the House of Representatives subcommittee on oversight and investigations, whose chairman Mr John Dingell is upset that an internal NIH inquiry has not found Dr Gallo guilty of scientific misconduct.

Mr Dingell has brought the congressional watchdog, the General Accounting Office, into the inquiry. It is understood that the federal Department of Health and Human Services, which is responsible for NIH, is also investigating.

At the same time, the Pasteur Institute is pressing the US to renegotiate the 50:50 royalty sharing agreement. The French claim that new information shows Dr Gallo merely "rediscovered" the original virus sent to him from Paris.

The royalties at issue amount to about $5m a year from HIV blood tests. More important, at least in French eyes, is the honour and glory of being undisputed discoverer of the Aids virus.

However, with Dr Gallo continuing to deny all significant allegations against him, no early resolution of the affair is in sight.

UK to offer new money at Earth Summit

By John Hunt, Environment Correspondent

BRITAIN is prepared to speed up its programme to reduce emissions of carbon dioxide, provided other countries do likewise, Mr Michael Heseltine, UK environment secretary, said in New York last night.

Mr Heseltine also told the international preparatory conference for the Earth Summit in Rio de Janeiro in June that the UK is prepared to give more to the Global Environment Facility, run by the World Bank, to help developing countries tackle their environmental problems. In the past year Britain has given £40m to the GEF. Mr Heseltine announced that Britain was considering stabilising carbon dioxide at 1990 levels earlier than its existing target year of 2005. Carbon dioxide is the main greenhouse gas which contributes to global warming.

The European Community target is to stabilise these emissions by the year 2000 and Britain has been criticised as the only member country to have a later target date.

Mr Heseltine's undertaking was conditional on non-EC countries speeding up their efforts. In particular, he wants the US to set national targets for greenhouse gas emissions

● Developing countries will need $125bn a year to implement proposals for protecting the global environment, some $70bn of it in new funding, Mr Maurice Strong, secretary-general of the UN Conference on Environment and Development (UNCED), said last night, Michael Littlejohns writes from New York.

This sum was not high, compared with the price of inaction, he told the UNCED preparatory meeting.

Honduras ends talks on forest project

By Ian Walker in Tegucigalpa

THE government of Honduras has abandoned talks with the Chicago-based paper company Stone Container over a controversial forestry project following protests led by environmentalists.

The company was seeking a 40-year concession to exploit up to 1.6m hectares of pine forest and tropical woodlands in the undeveloped eastern province of La Mosquitia for the production of wood pulp for its US factories.

The government's decision to scrap the deal, announced by the state forestry corporation head, Mr Porfirio Lobo, marks on unusual victory for public opinion in Honduras. A proposed agreement, signed last September, had been widely criticised following leaks of its contents. Its cancellation leaves a question mark over the Honduran government's forest policy.

Opponents also included the National Association of Industrialists and the Association of Sawmill operators, concerned that the agreement flouted a 1974 law requiring 51 per cent Honduran participation in forest enterprises.

Stone launched a publicity campaign at the end of January, arguing that it would use environmentally sound labour-intensive logging techniques and reforest areas which have been destroyed by migrant "slash and burn" farmers.

The government attempted to negotiate a supplementary contract to meet protestors' points. But the administration of President Rafael Callejas, facing the run-up to the 1993 presidential elections, finally decided to wash its hands of the affair, declaring that a 90-day deadline had been reached without agreement on the supplementary contract.

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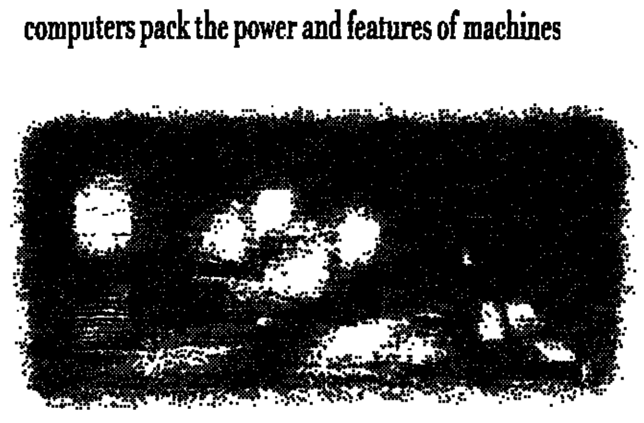

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Bush defies Congress with veto over China

By Nancy Dunne in Washington

THE White House announced yesterday that President George Bush was vetoing legislation that would link China's tariff status to its good behaviour on human rights, trade and weapons proliferation.

There is virtually no chance that Congressional leaders will muster the two-thirds vote in both houses needed to override the president's veto.

Congress wanted to attach political conditions to China's enjoyment of Most Favoured Nation (MFN) status governing the tariff levels on its goods sold in the US.

These conditions would require China to show "substantial progress" on human rights, arm sales and trade policy before its MFN status could be renewed again.

Although the House of Representatives passed the measure by 409-21 last November, the Senate held off a vote, looking for a politically opportune time to bring it to the floor.

Senator George Mitchell, the majority leader and one of the bill's strongest backers, brought it up last week when Mr Bush was under attack from both left and right in the presidential primaries.

Even so, the senator was unable to get the numbers he needed and the measure passed by only 59-39.

Mr Marlin Fitzwater, White House press secretary, said: "We agree with the objectives of this bill. Our argument with Congress is simply the best way to do it." The president would be vetoing the bill later in the day, he added.

In going ahead with his threatened veto, Mr Bush was defying criticism by the Democratic party's presidential candidates, who want US foreign policy to be linked to human rights.

They are expected to try to use the issue against him in the November presidential election by portraying him as a "moral wimp", afraid of standing up to China.

The issue will not be laid to rest. In May, the president must say once again if he will renew China's MFN status in June.

Once again the Democrats, and many Republicans, can be expected to try to place conditions on the renewal, using the opportunity for a further attack on the president's foreign policy.

US steel groups seek talks on voluntary curbs

By Nancy Dunne and Geoffrey Dyer in Washington

US steel companies are positioning themselves for the March 31 expiration of the US "voluntary" steel restraints (VRAs) if the date passes without a multilateral agreement to lower trade barriers and limit government intervention in the steel sector.

Speciality steel producers last week announced their support for a three-year extension of the VRAs and threatened to file anti-dumping and countervailing duty cases if their protection expires without a multilateral agreement.

The producers, along with the United Steel Workers of America union, have requested an early meeting with President George Bush. With speciality steel concentrated in a few key electoral states, Ohio, Pennsylvania and Indiana, politics in this election year could bring the president to their point of view, if a Multilateral Steel Accord (MSA) fails.

In a letter to Mr Bush, they said they represent the industry's high-value and high-technology segment which must be not be lost.

"Our products have unique characteristics, which makes them critical to the economic and industrial well-being of the US. There are few sectors in the industrial economy that could function without specialty steels."

The American Iron and Steel Institute, whose members produce three-fourths of the United States's raw steel, have reaffirmed their support of a "strong" multilateral agreement. It said the threat of subsidised and dumped imported steel would be "very real" without an agreement by March 31.

The trade restraints, which were begun in 1984, cover both speciality products such as stainless steel, and carbon steel products, which make up most of the market.

Mr Bush extended them in 1989 for two and a half years but said there would be no further extensions. He emphasised that he would negotiate an MSA to replace the VRAs. The talks, organised through Gatt with more than 25 nations, resume on March 16.

Progress is being blocked by a disagreement over US dumping laws. Mr Gary Horlick, a lawyer for the American Institute for International Steel, said. "The major block to the negotiation is that the US wants everyone to lower their tariffs while it maintains tilted anti-dumping laws," Mr Horlick added.

The speciality steel producers have a different explanation for the deadlock.

The MSA negotiations, they say, "have been characterised primarily by the efforts of other producing nations to exempt themselves from the reach of US trade laws and broaden the scope of permissible subsidy programmes."

A working paper for an MSA, which was presented last week in a negotiating session in Washington with Japan, Canada and the EC, prohibits the use of steel subsidies, except for a worker adjustment programme, structural adjustment schemes in the case of permanent plant closing, and environmental programmes and research.

Subsidies spent for development are still a subject of dispute.

Japanese ink makers investigated for 'cartel'

JAPAN'S Fair Trade Commission (FTC) yesterday said it was investigating the country's leading ink makers for allegedly forming a cartel to fix prices after the Gulf war led to higher costs for raw materials, Robert Thomson reports from Tokyo.

The commission said investigators had raided some 40 offices of about 10 companies, including Toyo Ink Manufacturing and Dainippon Ink & Chemicals, following allegations that representatives of the companies met in late 1990 to organise price increases. The FTC is expected to order the makers to disband the alleged cartel, though Dainippon Ink said the company had not yet received any such order.

News of the investigation came as FTC officials told the Japanese parliament the government should support the commission's recommendations to increase fines for price or production cartels from Y5m (£22,300) to "several hundred million yen". The FTC has been in dispute with the ruling Liberal Democratic Party which wants the fines in new anti-monopoly legislation to be far lower than the FTC proposes.

BAA to share in design contract for HK airport

By Simon Holberton in Hong Kong

HONG KONG'S Provisional Airport Authority yesterday said it had awarded a contract to Mott Connell, a local engineering group, Sir Norman Foster, the architect, and BAA, the UK's main airport operator, for detailed design of the passenger terminal and concourse complex of the colony's new HK$46bn (£3.2bn) airport.

The HK$536m contract is a two-year fixed price, lump sum order. The predominantly UK group competed against seven other contenders. The cost of the new airport led to debate in political circles yesterday. One local politician claimed the PAA's decision to increase the distance between the airport's two runways from 900 metres to 1,525m would cost an extra HK$10bn.

Mr Richard Allen, the authority's chief executive officer, said the distance was the minimum between two runways to enable their independent operation. Savings would be made on building costs because the island being created for the airport would be 1,248 hectares in area, not 1,275 hectares as previously planned.

Costs would be kept under constant review. If there were any overruns, the consortium was contractually bound to redesign at its own expense to bring them back into line.

The award of the contract coincided with the release of a master plan for the new airport covering development up to 1997, 2010 and 2040.

By 1997, the airport should consist of one runway and two terminals and handle 35m passengers a year.

Later phases of development include another runway and two more airport terminals. Under the plan, by 2040 the airport will be able to handle 87m passengers a year.

EC ministers renew bid for common Gatt stance

By David Gardner in Brussels

EUROPEAN Community agriculture and trade ministers yesterday renewed their attempt to arrive at a common stance on the Uruguay Round world trade negotiations, following failure of EC and US negotiators to make significant headway on their differences over farm subsidy cuts last Friday.

The ministers were still in a closed meeting last night, and believed to be still divided on what priority to give the numerous differences the EC has with the General Agreement on Tariffs and Trade (Gatt) formula for concluding the Round.

The EC is split into two main camps. The UK, France, Denmark, the Netherlands and Belgium wanted to renegotiate the Gatt prescription that the volume of subsidised farm exports be reduced by 24 per cent over the next six years, in addition to a 36 per cent cut in export subsidies.

The others, a slight majority going into yesterday's meeting, emphasise instead that compensation to farmers for subsidy cuts under both the Round and EC farm reform should be included in the "green box", for subsidies which do not distort production and trade.

EC negotiators last Friday made some progress with the US on the "green box" issue, with the Americans seeking further clarification on the effect direct compensation payments would have on production.

But the question of restraining export volumes "is still untouched," a Commission official said.

The US is said by some officials to be seeking to take the matter to the Group of Seven industrialised nations for resolution, and the US delegation that was here last Friday is understood to have continued to Bonn.

Germany is the current president of the G7, and has openly mooted a special summit to conclude the Uruguay Round.

Turkey struggles to make sense of trade with CIS republics

Some euphoria has evaporated, **John Murray Brown** reports

SOME of the euphoria with which Turkish business greeted the dissolution of Soviet Union is evaporating as officials struggle to make sense of the new trade relations with the emerging republics. For all the talk of new regional banks, both a Black Sea Bank and a Central Asian Bank have been mooted, Turkey's Eximbank has currently suspended all guarantees on credits to the new republics.

Turkey's 20-year gas protocol with the Soviet Union, first agreed in 1984, must now be renegotiated, though with whom is unclear. Gas proceeds have underpinned Turkish-Soviet trade which in 1990 was worth $1.7bn (£970m). But Turkey feels it has a headstart in the former Soviet republics, especially the Turkish-speaking Central Asian states, as a trade conduit for western companies, and a political counterweight to Iran. "To go with a Turkish company is going to be the only way to do business in these republics," one Turkish industrialist said.

Turkey this month initialled a broad agreement with the eight states around the Black Sea to co-ordinate policy on the environment, infrastructure and transport. In Tehran last month, Turkey, Iran and Pakistan met to revive the 27-year-old Economic Co-operation Organisation (ECO), welcoming Azerbaijan, Turkmenistan and Uzbekistan as new members. Turkey is well placed to arrange offtake deals, using the republics' natural resources as collateral for trade financing, similar to the Soviet gas pipeline. But the current coal and oil dispute between Russia and Ukraine underlines the need for agreement between the republics on distribution of raw materials.

Commodity trading may give Turkey some business; in the longer term, with the shortage of foreign exchange, Turkish traders will have to look at barter deals. Interbank, a privately-owned Istanbul bank, has set up a countertrade operation with Kaukomarkkinat of Finland. Turkish companies have little countertrade experience and without foreign partners, may be limited to dealing in commodities they can sell in the domestic Turkish market.

Turkish groups have made use of western aid credits. Enka, for example, has built military housing for Soviet troops returning from former East Germany. A new channel for Turkish groups will be to bid on World Bank and other multilateral agency projects, using this experience. But the picture remains unclear as long as western banks are unable to agree settlement on the $60bn (£34.2bn) of outstanding Soviet debt, set as the key pre-condition for the republics to join the Bank or the IMF.

Clearly, finance will remain the main obstacle, at a time of mounting budget problems at home. Turkey's proposal for new regional banks is dismissed as little more than a political gesture to the new republics. "Setting up a new bank is not going to work if an appetite for doing business does not exist," says a London-based trade finance specialist.

Mr Melih Araz, head of Interbank, says the private sector is unlikely to want to put in equity. "The state has to chip in." One western official familiar with China in the 1970s, said companies may find a similar trade environment. Unlike Russia and the Ukraine, the Turkic republics have still to tackle the issue of price controls, private land ownership or private enterprise, and have no banking infrastructure.

Western officials are worried the first step taken by the poorer Central Asian republics may be to raise tariffs to protect themselves. In the short term, trade with neighbouring Black Sea republics seems likely to slow. Gas proceeds, 70 per cent of which had to be used to buy Turkish goods under "best effort" terms, are now in Russian hands.

Armenia may offer best short-term business prospects, attracting funds from the Armenian diaspora in the US and Europe. Mr Ishak Alaton, head of Alarko Holdings, was in Ankara this week seeking government approval for a $20m project to rebuild Trabzon Port, using US Armenian money. The project would provide a land route to the Black Sea for the central Asian republics.

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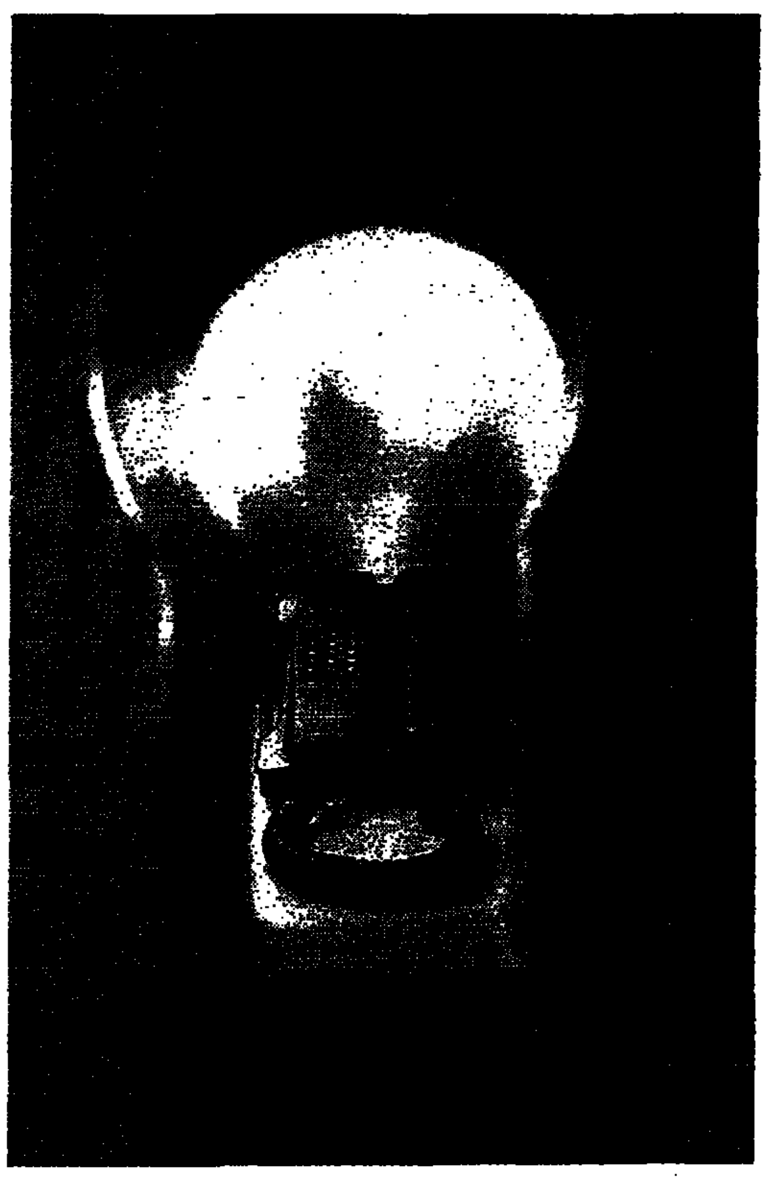

network in London last December. True, no one's allowed to use it yet, as all GSM phones still await formal approval.

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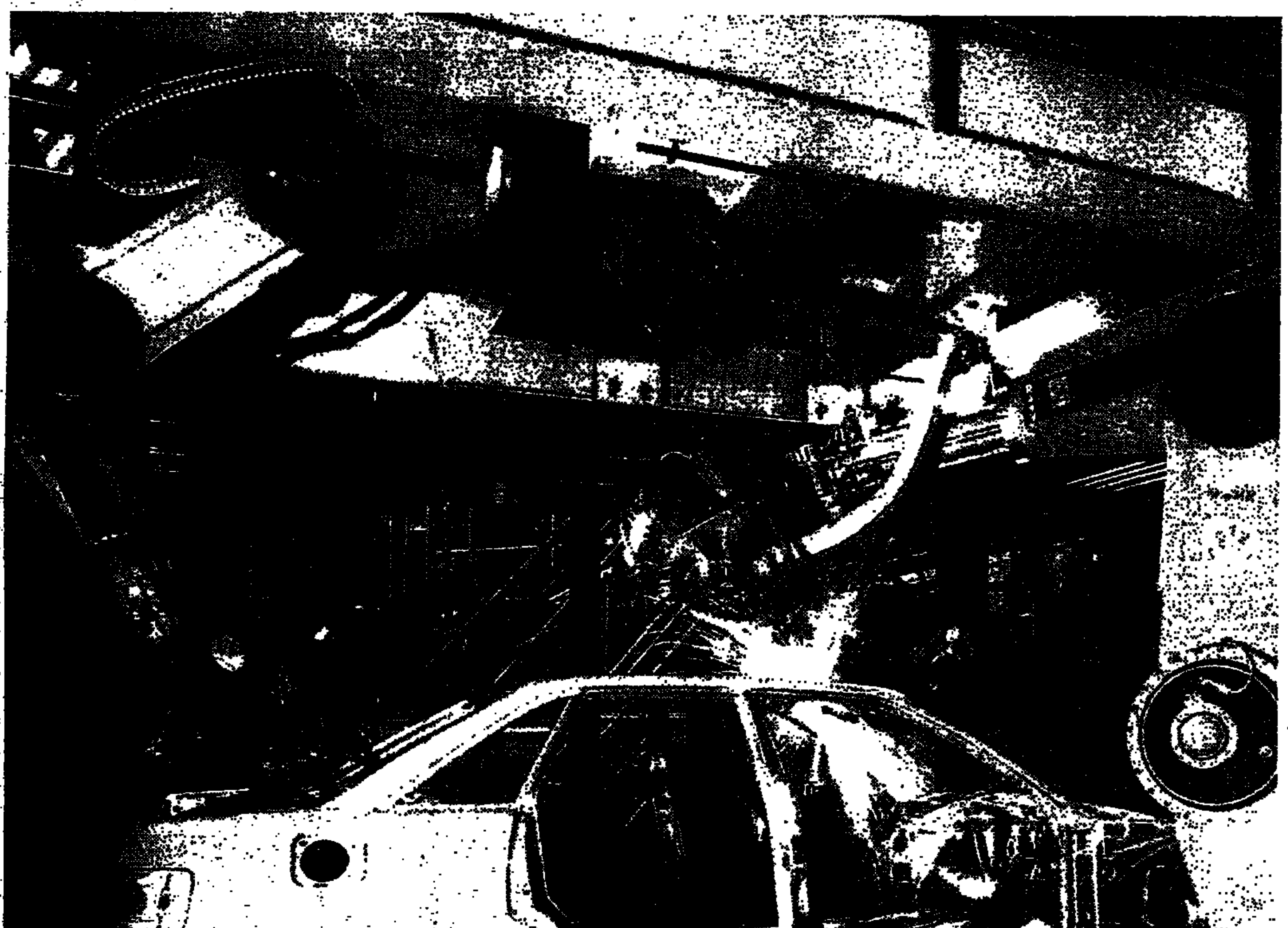

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Labels that get torn, worn or waterlogged can't be read – and an unreadable label is as useless as no label at all. For instance, what's the point of urgently shipping spare parts if no-one knows what they are? And chemicals that have lost their identity can be downright dangerous if wrongly stored or handled. It is because of the exceptional physical and chemical resistance of TYVEK and the labelling integrity it provides, that it is specified by such leading companies as Ciba-Geigy, ICI and Schering.

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Envelopes of TYVEK resist pilfering or accidental exposure of the contents through tearing, puncturing, bursting and abrasion. Add to these qualities their postage-saving light weight, water resistance and high-quality appearance, and it is little wonder that they are the primary choice of many banks, insurance companies and legal firms.
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Packed safely.
TYVEK's special properties of strength, security, chemical and physical resistance and light weight offer many advantages to the packaging industry. Its versatility is useful, too: TYVEK can be printed, diecut, laminated, heat-sealed, bonded with adhesive and stitched. Its smooth surface is perfect for record and floppy disc sleeves, while its air permeability allows products to be gas sterilized, making it ideal for sterile packing applications.

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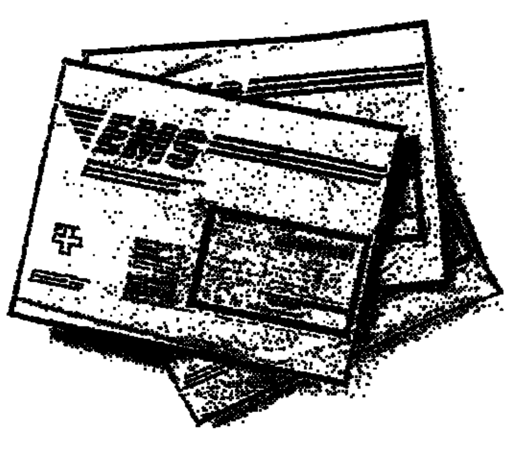

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UK NEWS

Contracts to decide size of coal industry

By Juliet Sychrava

BRITISH COAL and the electricity generators are close to resolving the deadlock over crucial contracts which will decide the future size of the UK coal industry.

Mr Ed Wallis, chief executive of PowerGen, the privatised generator, said yesterday the negotiations were "very constructive and moving forward. There may even be an agreement before the election."

Mr Neil Clarke, chairman of British Coal, agreed that a deal before the general election should not be ruled out. It could cover several years, make possible a cheap electricity price, and ensure the future of British Coal.

PowerGen and National Power, the other privatised generator, are easily British Coal's biggest customers. But it is understood that National Power is further from agreeing terms with British Coal.

The contracts, which will replace existing three-year deals next year, have become a political issue in advance of the proposed privatisation of British Coal. The two sides have found it hard to agree a price and the generators have threatened to cut sharply the amount of coal they buy from British Coal in favour of cheaper imported coal.

Mr John Wakeham, the energy secretary, is under pressure to find a compromise between a secure future for British Coal and low electricity prices for consumers. He has tried to smooth the negotiations by holding discussions with the regional electricity companies.

Mr Clarke said British Coal's costs could fall significantly between now and the start of the new contract, allowing the company to drop its price over a period of years. The contract was likely to be structured in two stages, he said, to give British Coal time to adjust.

National Power has indicated it would like a price of around 130p per gigajoule , and has pointed out that the Scottish electricity industry recently imported 8,000 tonnes of coal at 100p per gigajoule.

Bonn's 'golden rule' may help balance budget

By Peter Norman, Economics Correspondent

THE UK Treasury may have unwittingly handed the government a way of escaping opposition Labour Party charges that it will be "borrowing to bribe" the electorate in next week's Budget.

Indeed, if Mr Norman Lamont, the chancellor of the exchequer, so wished, he could justify more than doubling the government deficit in 1992-93 by citing a German "golden rule" for public finance.

An analysis of UK public sector capital spending in the latest issue of the Treasury Bulletin suggests that even a public sector borrowing requirement (PSBR) of close to £30bn in the coming financial year could be justified as covering government investment in that period.

Mr Neil Kinnock, leader of the Labour opposition, last week contrasted Tory plans for "borrowing to bribe" the electorate through tax cuts and a higher PSBR in the forthcoming Budget, with Labour's commitment to "borrowing to build" through higher government investment in public services.

But the Treasury study shows that on one definition the government should be able to claim that higher borrowing expected in 1992-93 will do no more than cover public sector capital spending.

In that way, Britain would be conforming to what economists call the "golden rule". This rule, which is a cornerstone of German fiscal policy, stipulates that the amount the government borrows should not exceed the amount the government invests in any given period.

Next year's official target for the PSBR is a closely guarded Budget secret. But there is no doubt that it will be higher than the £12bn now expected for the 1991-92 financial year.

The PSBR is generally expected to be between £24bn and £30bn, representing some 4-5 per cent of gross domestic product, as a result of higher spending and reduced tax revenues caused by the recession and increased outlays on priority programmes such as transport and health.

City faces criticism on Maxwell pensions

By Ralph Atkins and Norma Cohen

The City of London's system of self-regulation faces fierce criticism by a cross-party committee of MPs next week over its failure to prevent the disappearance of several hundred millions pounds from pension funds controlled by Mr Robert Maxwell.

The Select Committee on Social Security is expected to single out the Investment Management Regulatory Organisation (IMRO) for allowing Mr Maxwell to control a fund management company which was apparently used to raid pension funds belonging to his employees.

The MPs believe evidence taken from the Investment Management Regulatory Organisation (Imro) showed there was virtually a vacuum in pension regulation.

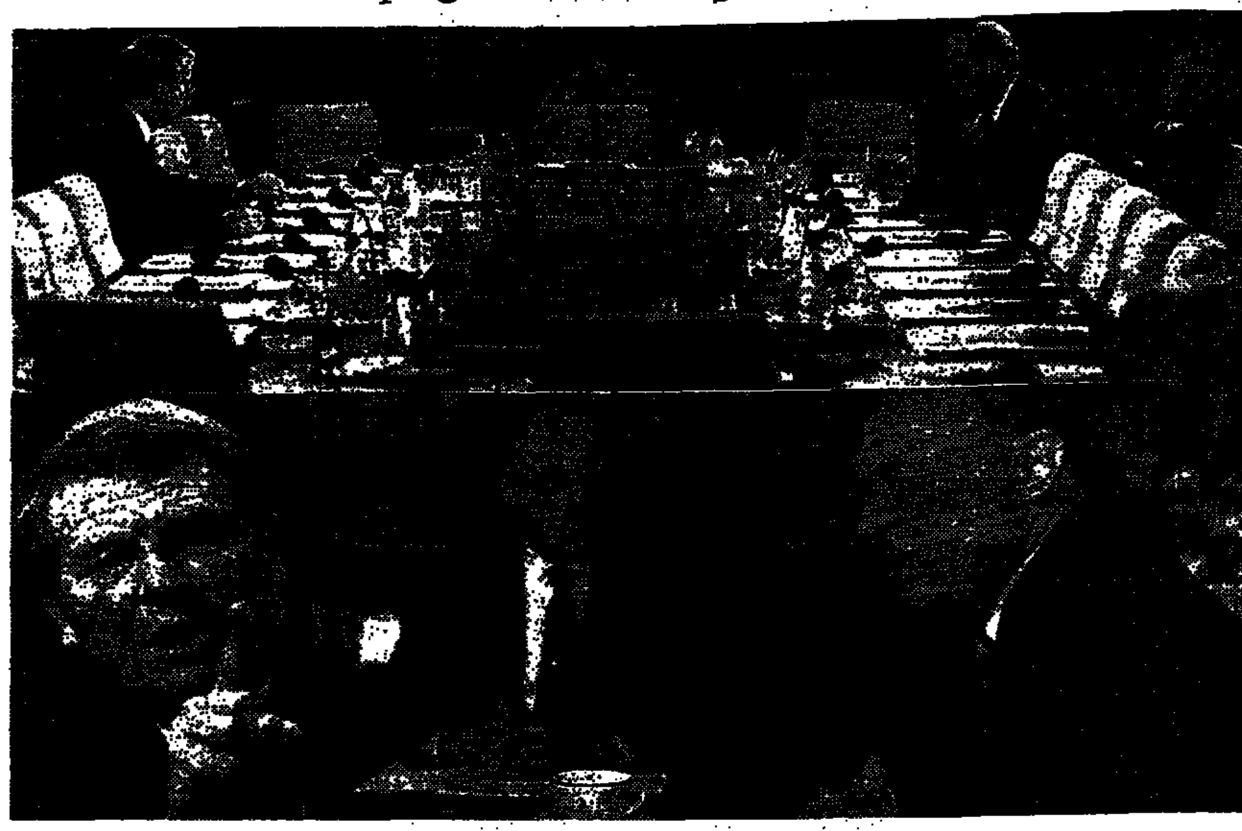
There is also strong criticism of some City professional bodies, particularly the actuarial firms, for failing to take sufficient responsibility over the affair.

MPs on the committee which met in private yesterday have yet to decide whether the role played by banks in some of the share transactions involved, was sufficiently culpable to merit a wider attack on the City – or to justify a compensation scheme for pensioners.

The committee has been frustrated by the time constraints set by the approaching general election.

Domestic dispute without world appeal

Philip Stephens finds the election campaign conceals implications for world affairs



Leaders in the making: John Major has already chaired summits, such as the G7 meeting with George Bush (above). Gerald Kaufman and Neil Kinnock (right) think they can replace him, while Paddy Ashdown (left) waits in the wings

THERE is a curious gap in Britain's general election campaign. It is called foreign affairs.

After two years during which the wider world frequently shaped domestic political debate, the unspoken judgment is that the voters are no longer moved by events in Brussels or Washington.

The row over Europe which split the ruling Conservative Party and contributed to the downfall of Mrs Margaret Thatcher is deemed to have been settled, if not solved, at Maastricht. The depth of the economic recession has left voters preoccupied with their own precarious prospects and indifferent to the turmoil in the former Soviet empire.

It is not that the Conservative and the opposition Labour parties share a common approach to all the issues which will confront whichever wins the election expected on April 9. The substance as well as the style of foreign policy would change if Neil Kinnock replaced John Major. When asked, senior politicians on both sides point to differences in policies towards the European Community, the former communist states, and countries as far afield as Hong Kong and South Africa. But the same politicians have first to be asked.

Since the start of 1992 the Conservatives, Labour and, the smaller Liberal Democrat party, have been fighting a full-scale election campaign in all but name. It has been largely dominated by the recession, the parties' respective tax and spending plans and by the state of public services.

John Major's advisers have been promising to change that with an effort to capitalise on the prime minister's standing on the world stage.

Election broadcasts will show him sitting atop British tanks in the Gulf, chairing the G7 summit, shaking hands with Boris Yeltsin, exchanging jokes with George Bush. Similar contrasts will be drawn between the calm authority of Douglas Hurd, the foreign secretary, with the inexperience of the more abrasive Gerald Kaufman, his Labour shadow.

The message is less-than-subtle: in an uncertain, still-dangerous world, can the voters trust the untried team of Kinnock and Kaufman to defend vital interests abroad? Would they have stood so firmly against Saddam Hussein's invasion of Kuwait?

But the campaign focus on leadership qualities will obscure the challenges facing either party and the policy shifts which would follow a Labour victory.

Discussion of the powerful constraints which the process leading to European monetary union will place on economic domestic policy is discouraged as much by Labour as the Conservatives.

The Foreign Office now believes that the Maastricht agreement is more likely than not to lead to a single currency before the end of the century. The politicians though are reluctant to explain how that might limit their ability to deliver on electoral promises.

A victory for Neil Kinnock would bring an immediate shift in policy towards the Community just as Britain is about to take up the six-months rotating presidency. Mr Major would push his government's vision of a liberal, free-market Community ready to welcome new members from the European Free Trade Area and from Eastern Europe. Completion of the single market and enlargement are the priorities.

Neil Kinnock would be in tune with the more dirigiste approach to social and industrial policy of many of Britain's partners. Signature of the social chapter of the Maastricht deal would be his first act, while he would be ready to discard the British "opt-out" clause from EMU.

A European-wide policy to stimulate economic growth and employment and growth would be another priority as would an attempt to link the Community's aid policies with the human rights record of recipients.

For their part, Paddy Ashdown's centrist Liberal Democrats – which might hold the balance of power if the election is inconclusive - propose a full-blooded commitment to federalism.

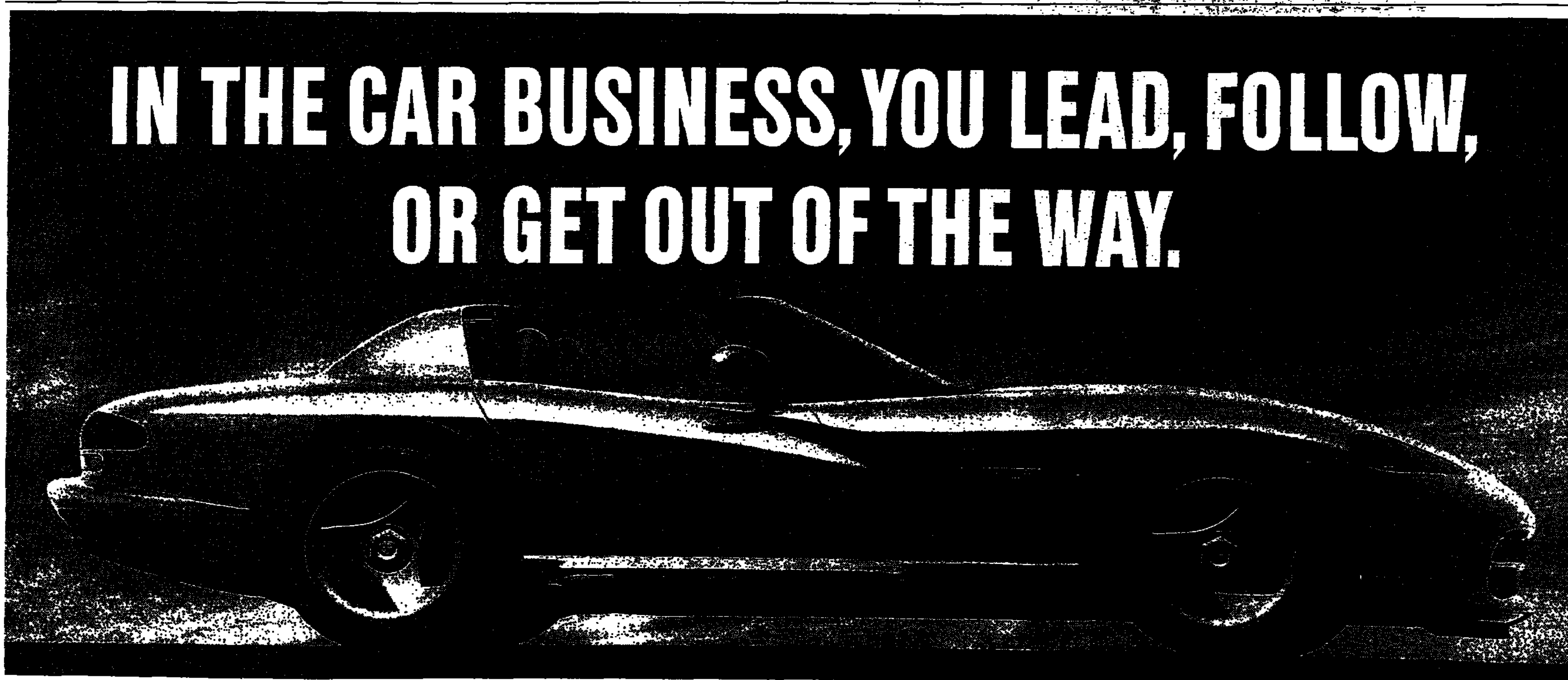
There are subtler differences in the attitudes of the two main parties to the United States and to the future of NATO. John Major would undoubtedly maintain his warm relationship with President Bush. He has underlined repeatedly his personal commitment to the primacy of NATO over any European defence identity. Labour cuts in defence spending would bite more deeply than those proposed by the Conservatives.

But Neil Kinnock's retreat from socialism and unilateralism has eased the tension which characterised his relations with Washington during the Reagan years. Notwithstanding its reluctance to order a fourth Trident nuclear submarine, the opposition's recent pronouncements on the future of NATO have been scarcely discernible from those of the Conservatives. The special relationship would survive.

There are other contrasts. Labour says it is keener to offer financial support to the former Soviet republics - without explaining how it would persuade other Western governments to join it.

Gerald Kaufman has said he is ready to "stand up" to China in accelerating progress to democracy in Hong Kong. He would demand more in the way of reforms from the South African government before dismantling economic sanctions. The Conservatives argue that Labour would be much less effective in brokering a successful conclusion to the present Uruguay round of GATT world trade talks.

There is little prospect though that such issues will be debated in any depth during the campaign. British politicians, like their US counterparts, appear to have concluded that there are not many votes in foreign policy.



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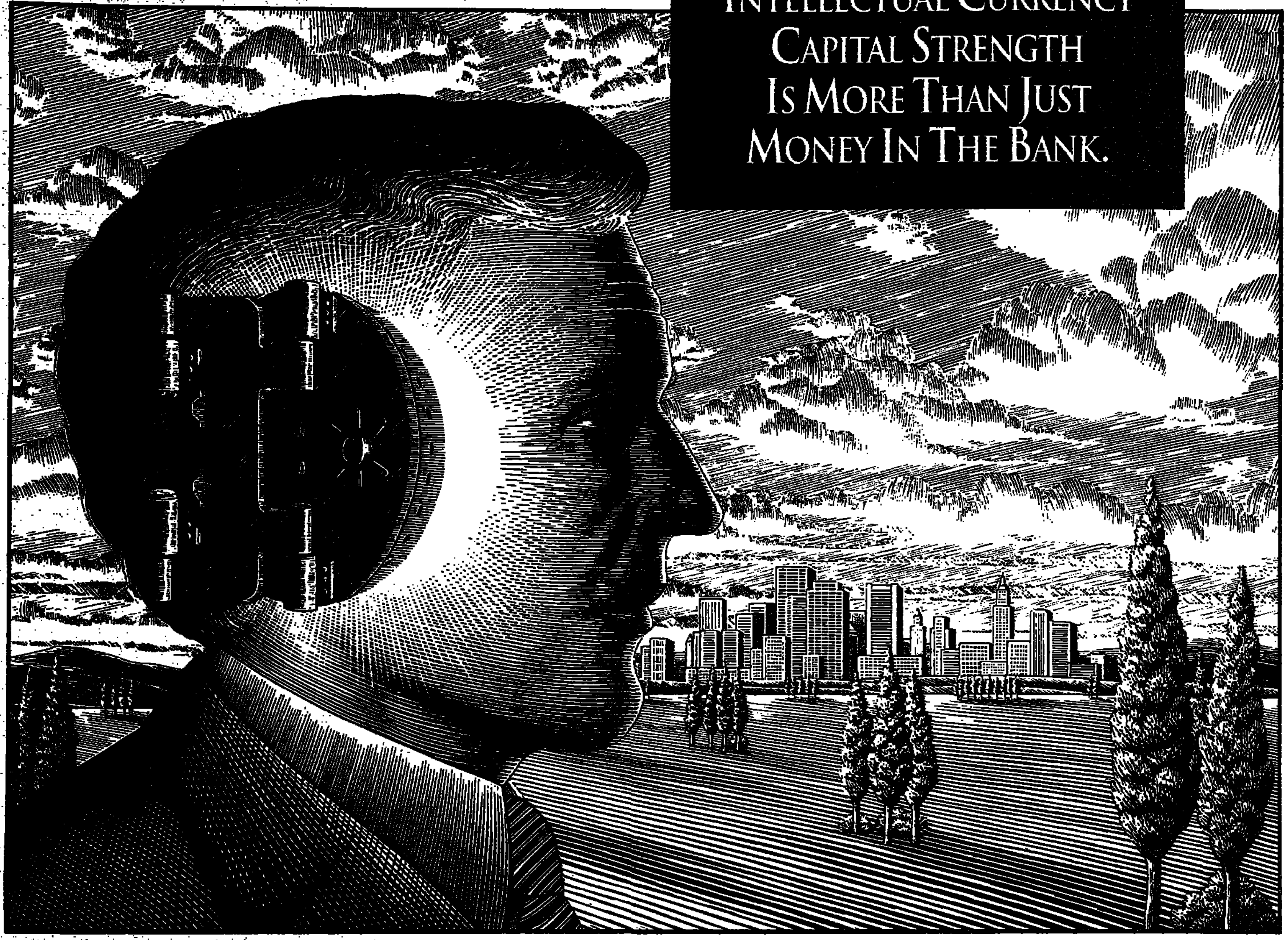

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UK NEWS

Brooke fails to set date for renewed Ulster talks

By Ralph Atkins and Our Belfast Correspondent

GOVERNMENT ministers and Northern Ireland's main political leaders failed yesterday to set a start date for "round-table" talks on the province's political future – undermining hopes that negotiations could start next week.

Mr Peter Brooke, Northern Ireland secretary, only expressed optimism that "round-table" talks could start "as soon as possible". In spite of optimism created by a unexpected deal between Unionist and nationalist leaders late last week on resuming talks, it appears significant details have still to be worked out.

The resumption of talks early next week now seems improbable. With the proximity of the general election, the talks process is unlikely to restart until after the vote.

Mr Brooke will meet Irish ministers on Friday when he will outline the position of the Northern Ireland parties and find out if any fresh conditions proposed for talks are acceptable to Dublin.

Meanwhile, Northern Ireland clergymen who met Loyalist paramilitary leaders last month said they would be prepared to meet representatives of Sinn Fein, the IRA's political wing, in the interests of peace. Dr Jack Weir, a former moderator of the Presbyterian church, said the church had to be interested in speaking to the men of violence in an effort to curb terrorism.

Separately, Cardinal Cahal Daly, the Roman Catholic Primate of all Ireland, said on BBC Radio he would not be surprised if individual priests were meeting the IRA, "because of the tremendous desire for peace there is in all sections of the community." However he stressed that the church would not act as political intermediaries.

Mr Brooke's statement yesterday followed a meeting in Belfast with the leaders of the province's four main parties. It said that, subject to receiving assurances from Mr Neil Kinnock, Labour leader, and Mr John Major, talks would continue on the same basis whoever won the election.

SCOTTISH INDEPENDENCE

Devolution 'threatens' North Sea oil revenue

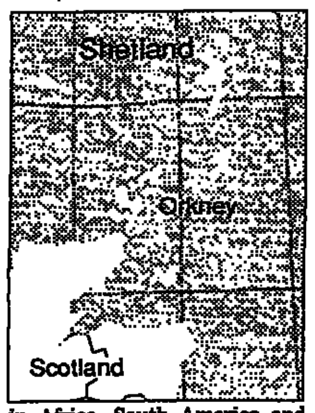
By James Buxton, Scottish Correspondent

THE future development of Britain's North Sea oil fields, and their ability to win vital inward investment, would be threatened if Scotland was granted independence, according to a report by brokers.

County NatWest WoodMac warn that if the UK North Sea was split into two or three parts it would create difficulties over abandonment of oilfields and tax treatment of exploration and appraisal expenditure, and accounting practices for companies operating on both sides of the dividing lines.

The debate over independence has become an election issue in the British general election due before July 9. The controversy has been spurred by a recent poll which found more than half of all Scots favoured independence.

"The key factors in favour of the North Sea are political and fiscal stability," say the brokers. At a time when the North Sea is having to compete for oil company funds with the emerging oil and gas provinces



in Africa, South America and the former Soviet Union, oil companies would need to be convinced that they would not be "economically disadvantaged" by any carve-up.

"Any split of the North Sea into separate sectors would need to be handled extremely carefully," says the report.

The report also drew serious implications for Scotland's oil revenue if it broke its links with London. If the Shetland Islands and Orkney also sought independence from Britain Scotland's share of North Sea revenue could be cut to 10 per cent of present levels.

The report says that the maximum North Sea oil revenues Scotland could expect over the next five years would be £17bn, in 1992 terms, out of the total of £18bn, assuming the sea border ran due east from the end of the land border at Berwick-on-Tweed. But if England insisted extrapolating into the sea the line of the existing land border between England and Scotland, and if Shetland and Orkney took their share of the oilfields, Scottish revenue could be as little as £1.5bn.

A Shetland Islands leader, however, said yesterday the islanders had little interest in seeking separate independence, if Scotland were to become independent. Mr Edward Thomason, convener of Shetland Islands council, said: "No one is more surprised by all this talk of separation than the Shetlanders themselves."

Most business leaders want no change in status quo

By James Buxton

TWO thirds of Scottish business leaders want no change in Scotland's constitutional arrangements, according to an opinion survey. But 23 per cent would like to see a Scottish parliament with tax-raising powers replacing Scotland's regional councils.

Euram Consulting, an executive search agency, asked 515 of Scotland's senior industrialists, financial executives and senior partners of law and accountancy firms to complete a postal survey.

Of the 35 per cent who replied, 65 per cent wanted no change. Two per cent wanted a Scottish tax-raising assembly on top of the regional councils and six per cent wanted total independence within the European Community .

Among the Scottish public as a whole support for independence has eased and backing for the constitutional status has risen, according to a MORI opinion poll published at the weekend by the Sunday Times.

The newspaper's poll put support for independence at 36 per cent, that for devolution at 37 per cent and backing for the status quo at 23 per cent.

This contrasts with an ICM opinion poll at the end of January for the Scotsman and ITN which put support for independence at 50 per cent and that for devolution at 27 per cent, with the status quo backed by 19 per cent of those asked.

The poll triggered intense interest in the Scottish constitutional issue and also showed a rise in support for the Scottish National party, which backs independence. Backing for the SNP is now put by MORI at 25 per cent. Backing for Labour is 42 per cent, that for the Conservatives 22 per cent and that for the Liberal democrats 10 per cent.

● The Labour party launched its Scottish election campaign yesterday. Mr Donald Dewar, the party's Scottish affairs spokesman, said Labour's plans – published in a manifesto, The New Scotland – were "radical and forward-looking".

Labour's 40-page document contains plans for a Scottish ministry of justice accountable to its own parliament.

The creation of a Scottish parliament, it says, will ensure that legislative time is available for a more rational approach to the reform of Scots law.

BRITAIN IN BRIEF

Lender says house prices still falling

UK house prices fell sharply again last month according to the Nationwide building society, one of the country's biggest mortgage lenders.

The fall in prices will dampen any remaining hopes the government may have entertained that an upturn in the housing market might encourage a greater feeling of economic well-being among voters ahead of the general election.

According to Nationwide the average price of a home has fallen by 4.1 per cent during the past 12 months from £57,661 to £55,308 – a fall of more than £2000.

Bank workers seek staged deal

The union representing most staff at Barclays Bank, one of Britain's main clearers, has asked the company to offer a staged pay deal after its members rejected an offer worth just over 3 per cent.

Under the proposal by Barclays Group Staff Union, the present offer would be implemented from February, the settlement month, but a second rise would follow later in the year. The negotiations are being watched closely by the Midland and National Westminster banks and by other financial services company as the Barclays pay talks are among the first in the year in the sector.

Ports handle more cargo

Overseas cargo handled by Britain's ports rose by 2 per cent to 305.5m tonnes last year, the British Ports Federation reports. The increase was mainly due to a 5 per cent increase in exports to 120.6m tonnes. Imports rose by only 0.4 per cent to 184.9m tonnes.

The three biggest ports by non-domestic tonnage were Immingham (34.7m tonnes), London (31.8m tonnes) and Tees & Hartlepool (26.4m tonnes).

Ashdown hints at policy change

Mr Paddy Ashdown, Liberal Democrat leader, has hinted at a softening of his party's commitment to raise the basic income tax rate from its present level, if needed, to fund extra education spending.

The extra £2bn the Liberal Democrats want to see spent on education could, in present circumstances, probably be financed without increasing the basic rate, Mr Ashdown said at the launch of a policy paper on education.

However if the Tories cut taxes in the March 10 Budget, the party would probably – like Labour – enter the election campaign pledged to reverse the change.

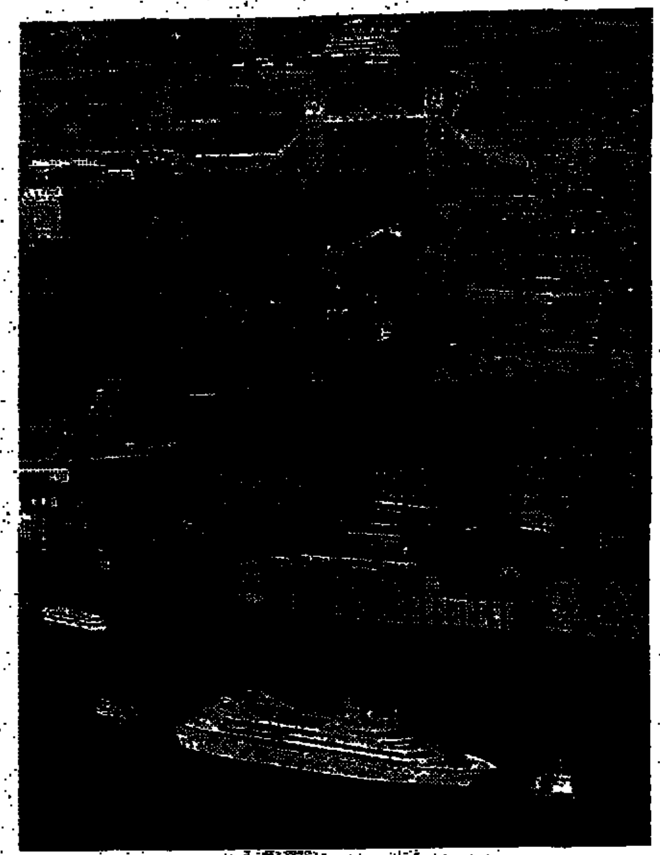
New tests on energy use

The UK government launched a new standard for assessing the energy efficiency of private homes. The standard, which measures how much energy a home wastes and how much carbon dioxide it emits into the atmosphere, will be used by firms selling energy efficiency services.

Mr David Heathcoat-Amory, the energy minister, said private homes accounted for 25 per cent of carbon dioxide emissions in the UK. The standard would tell householders how they could cut emissions and save money.

Union holds merger talks

The 32,000-strong furniture union, FTAT, has held exploratory talks with several large unions, including the Transport and General Workers Union, about a possible merger. The union lost 10 per cent of its membership last year and expects to go into deficit next year for the first time since the mid-1980s. Larger unions would be interested in its considerable assets.



Cruise control: the £270m Royal Viking Queen, reputed to be the world's most expensive cruise liner, is guided up the River Thames during a visit to London on her maiden voyage from Hamburg to Miami. The 10,000 tonne ship, which boasts its own marina and on-board hospital, has been moored in the Pool of London beyond Tower Bridge.

Party launches car charter

The opposition Labour party has sought to counter suggestions that it is the anti-car party by publishing a charter for motorists.

The 31-point plan, produced after consultation with motoring organisations, sets out Labour's proposals on consumer protection for motorists and tightening up on safety.

Labour says Tax incentives on the company car perk would probably be phased out. It argues that this would lower the price of new cars to private buyers by eliminating big fleet purchases, which are often heavily discounted.

Trunk road to be upgraded

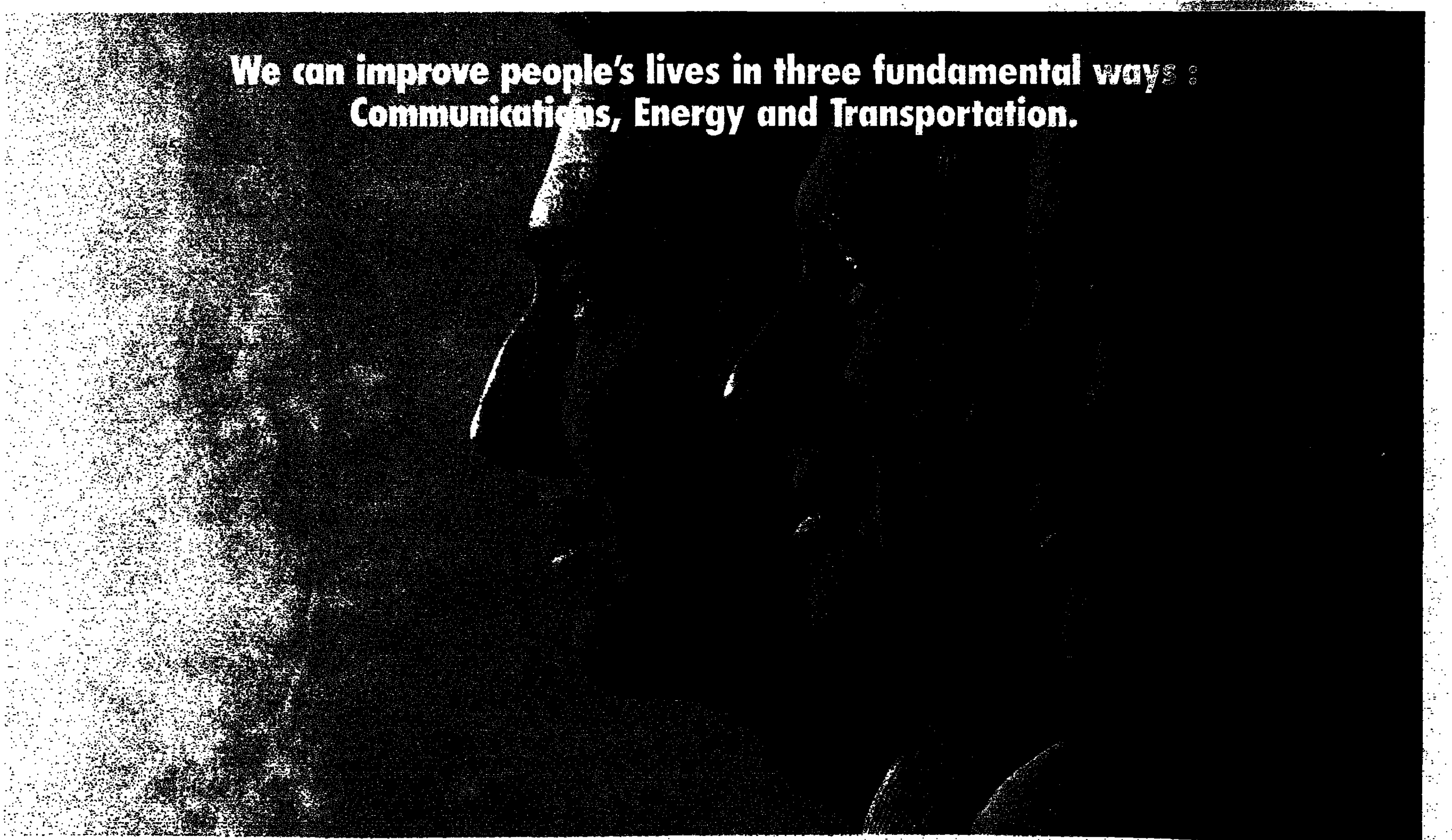
The government has decided that the A1 road between Newcastle and Edinburgh should be upgraded to dual carriageway. It said it would study schemes to remove accident black spots on this section of the road, the main route between the Scottish capital and northern England.

Both the Department of Transport and the Scottish Office have previously argued that traffic on the Newcastle-Edinburgh section of the A1 did not justify upgrading, although it intends to raise the London-Newcastle section from dual carriageway to motorway.

No date was given for completing the project.

Actresses paid less than actors

Actresses are paid less than half as much as actors, according to a survey into the broadcast media. Commissioned by Equity, the actors union, it found that on average men earned £58,814 and women £26,591 per year in the last three years in broadcasting.



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FT LAW REPORTS

The sale of an estate gardener's cottage is taxed

LEWIS v ROOK
Court of Appeal (Lord Justice Balcombe, Lord Justice Ralph Gibson, and Lord Justice Stuart-Smith): February 19 1992

A GARDENER'S cottage owned by a taxpayer, situated not very closely adjacent to her main house on the opposite boundary of her estate, is not part of those buildings which constitute the dwelling house, and is therefore subject to capital gains tax on sale by the taxpayer.

The Court of Appeal so held when allowing an appeal by the Inland Revenue from Mr Justice Mervyn Davies's decision affirming a decision by General Commissioners that the taxpayer, Lady Rook, was entitled to relief from capital gains tax on the disposal of a cottage on the boundary of her residential property.

LORD JUSTICE BALCOMBE said that on June 6 1968, Lady Rook purchased Newlands, Crockham Hill, Kent for £34,501.

Included in the purchase were two cottages known as Nos 1 and 2 Hop Cottages on the south boundary of the property. The total acreage of the property was 10.5 acres. The distance between No 1 Hop Cottages and Newlands was 175 metres.

In February 1974, Lady Rook's gardener moved into No 1 Hop Cottages. In February 1978, he vacated No 1.

On August 30 1979, Lady Rook sold No 1 for £33,000. The sale proceeds helped to finance the conversion into residential accommodation of the coach house adjacent to the main house.

The gardener moved into the coach house. Lady Rook was elderly, lived alone in the main house and needed someone close at hand; hence the reason for his move.

The greenhouses, tool shed and compost heaps used in connection with the main house garden were situated between the main house and No 1 Hop Cottages. During Lady Rook's ownership of it, No 1 had never been screened from the main house so that she could see the lights in the cottage and flash a light if she needed help. She also had a ship's bell which could be heard from the cottage if she needed help. That had happened more than once.

Section 102(1) of the Capital Gains Tax Act 1979 provided that a gain on disposal of a dwelling house was not chargeable to tax "if the dwelling house or part of a dwelling-house has been the individual's only or main residence throughout the period of ownership . . .".

The General Commissioners found that No 1 Hop Cottages formed part of the entity which comprised the dwelling-house of Newlands.

Mr Justice Mervyn Davies upheld the Commissioners' findings.

He concluded that the entity constituting Lady Rook's residence included No 1 Hop Cottages, because her way of living embraced the use not only of Newlands House itself with its gardens, but also of the cottage of the gardener who attended to the gardens.

That the cottage was about 190 yards distant from the house was, to his mind, not of paramount importance in the context of the Newlands set-up. He said it was a matter of degree.

The Crown maintained that no reasonable tribunal of fact could have reached the conclusion that No 1 Hop Cottages and Newlands together formed one dwelling-house which was the taxpayer's residence.

In *Batey v Wakefield (1981) 55 TC 550*, the main house ("Paddocks") was set in 1.1 acres of land. On part of that land the taxpayer built a chalet bungalow for occupation by a caretaker/gardener. It was separated from Paddocks by the width of a tennis court and a little more.

Mr Justice Browne-Wilkinson said: "difference between the two sides depends on whether one stresses the words 'a dwelling-house', as the Crown suggest, or the words 'a residence', as the taxpayer suggests. In the ordinary use of the words, if one looks at a man's residence it includes not only the physical main building but also the appurtenant buildings."

He said the lodge was occupied by the taxpayer through his employee, who was employed for the purpose of promoting the taxpayer's reasonable enjoyment of his own residence; and "bearing in mind the fact that the buildings are very closely adjacent", it was proper to find that the lodge was part of the taxpayer's residence.

Lord Justice Fox said there was no difference in principle between a coachman's flat in the stable yard used to serve the main house and a bungalow built on the comparatively small area of land held with Paddocks, for the purpose of serving Paddocks. He said it was "a question of degree in each case", whether a separate building formed part of the residence.

In *Markey v Sanders (1987) 60 TC 245*, there was a main house with outbuildings in 12 acres. The taxpayer built a detached three-bedroomed bungalow some 130 metres away from the main house and separated it by a paddock. Mr Justice Walton said the conditions that had to be satisfied were first, occupation of the building must increase the taxpayer's enjoyment of the main house; and second the other building must be "very closely adjacent" to the main building".

In *Williams v Merrylees (1987) 60 TC 297*, a lodge some 200 metres from the main house was held by the General Commissioners to be part of a dwelling-house which was the taxpayer's residence, being "within the curtilage of the property of and appurtenant to" the main house. An appeal by the Crown was dismissed.

The current state of the authorities was not very satisfactory. It was necessary to go back to the words of the statute.

What had first to be determined was what, in the particular case, constituted the "dwelling-house".

That was an ordinary English word of which the definition in the shorter Oxford English Dictionary was "a house occupied as a place of residence". That dwelling-house could consist of more than one building even if the other building itself constituted a separate dwelling house (*Batey v Wakefield*). Nevertheless, "what one is looking for is an entity which can be sensibly described as a dwelling-house though split up into different buildings performing different functions" (*Williams v Merrylees*).

How, then, could that entity be identified in any given case?

First, attention must be focused on the dwelling-house which was said to constitute the entity. In so far as some of the statements made in *Batey v Wakefield* suggested that one must first identify the residence, they were made *per incuriam* [inaccurate].

Where it was contended that one or more separate buildings were to be treated as part of an entity which, together with the main house, comprised a dwelling-house, Mr Warren submitted that no building could form part of a dwelling-house which included a main house, unless that building was appurtenant to and within the curtilage of the main house.

That was a helpful approach, since it involved the application of well-recognised legal concepts.

In *Methuen Campbell v Walkers [1979] QB 525,543*, Lord Justice Buckley said: "For one corporeal hereditament to fall within the curtilage of another, the former must be so intimately associated with the latter as to lead to the conclusion that the former in truth forms part and parcel of the latter . . . How far it is appropriate to regard this identity as parts of one messuage or parcel of land as extending must depend on the character and circumstances of the items under consideration."

That passage was cited with approval by all members of the Court of Appeal in *Dyer v Dorset County Council [1989] QB 346*, all of whom emphasised the smallness of the area comprised in the curtilage. That coincided with the close proximity test, "very closely adjacent", in *Batey* and *Markey*.

If the Commissioners in the present case had applied the right test: "Was the Cottage within the curtilage of, and appurtenant to, Newlands, so as to be a part of the entity which, together with Newlands, constituted the dwelling-house occupied by the taxpayer as her residence?" – they could not have reached the decision they did.

The cottage was 175 metres from Newlands. Newlands was on the northern boundary and the cottage on the southern boundary of a 10.5 acre estate. And they were separated by a large garden with no intervening buildings other than the greenhouses and tool shed.

Those facts led to the inescapable conclusion that the cottage was not within the curtilage of and appurtenant to Newlands, and so was not part of the entity which, together with Newlands, constituted Lady Rook's dwelling-house.

The appeal was allowed. Their Lordships agreed.

For the Crown: Nicholas Warren (Inland Revenue solicitor).

For Lady Rook: David Milne QC (Susan H. Newlands, Dorking).

Rachel Davies
Barrister

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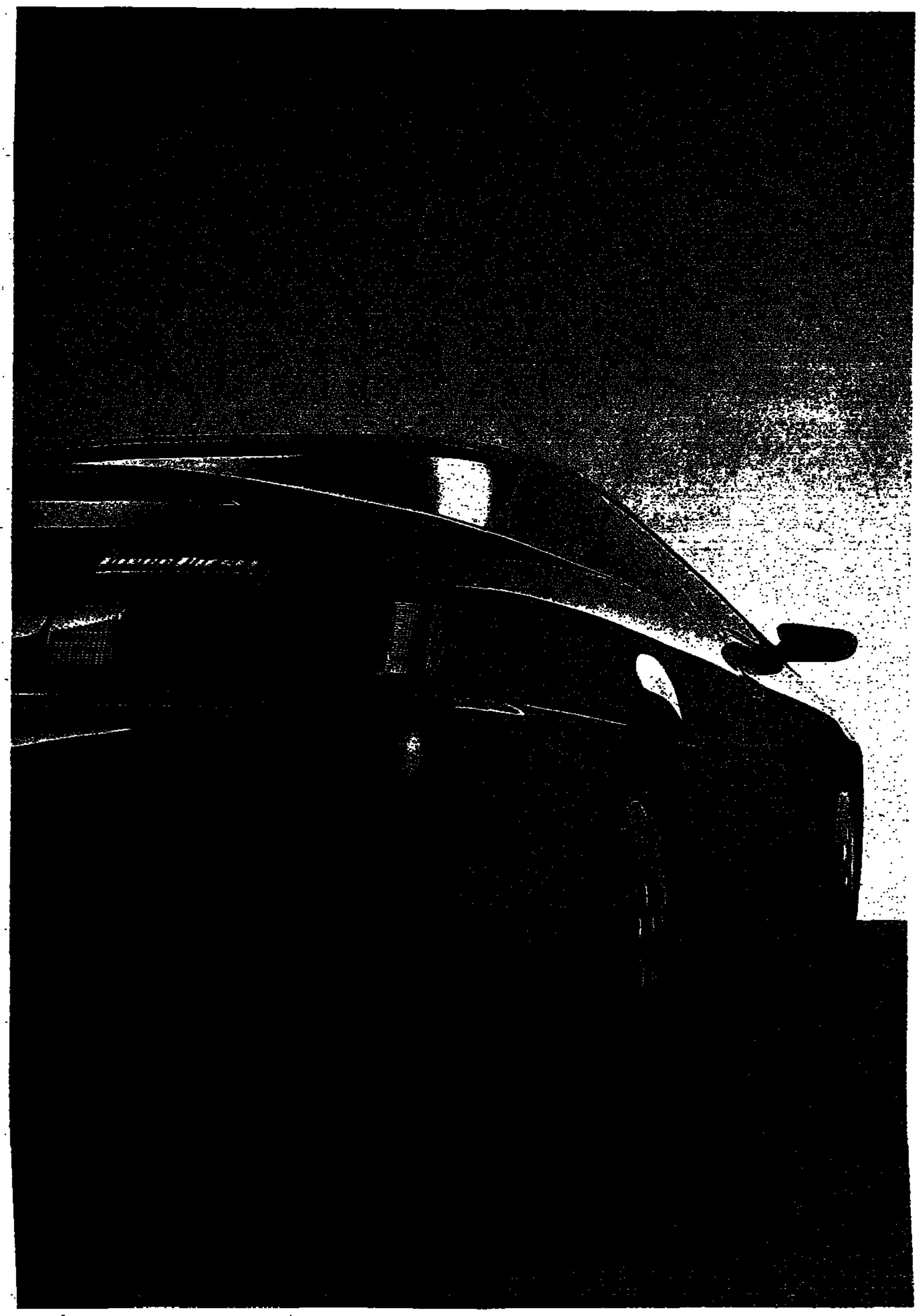

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TECHNOLOGY

Iron challenges the lightweights

By Kenneth Gooding

Lennart Backerud, a Swedish professor, has developed a technology which he says introduces foundries to the computer era and opens up a wide range of new applications for an age-old material that is cheap, abundant and readily available from foundries worldwide: cast iron.

He suggests his process is likely to redraw the map of metal usage. In the near term *it seems likely to slow down* the switch to aluminium by car manufacturers.

SinterCast, the Swedish-American company which owns the patent, says the process can reduce the weight of products such as car components by up to 30 per cent and cut the cost by as much as 10 per cent, yet make them as strong as ever.

The process has just been introduced at its foundries by Fritz Winter Eisengeiberie. This German company is one of the world's leading independent suppliers of castings for the motor industry with annual production of more than 200,000 tonnes.

Backerud's process permits the commercial production of a form of cast iron called compacted graphite iron (CGI). In this form of cast *iron, graphite modules form a* worm-like pattern whereas in traditional cast iron, or grey iron, the graphite modules form flakes along which the metal can fracture.

CGI's microstructure makes it one-and-a-half to two times as strong as grey iron, the traditional material used for cast*ing engine blocks and cylinder* heads. That strength would allow car makers to design engines with thinner cylinder walls and other structures, thus cutting weight.

CGI has been known about for more than 20 years but in the past it has been produced only in laboratories. Foundries have been unable to produce it consistently, mainly because the raw material, scrap metal, contains impurities such as magnesium and titanium.

The core of the Backerud process is an ultra-sensitive probe which is lowered into the molten metal before it is cast. The probe is fitted with thermocouples which detect minuscule changes as molten metal cools and solidifies. A computer analyses how the metal will cool and prescribes how to fine-tune the recipe so it will unfailingly form CGI.

Ted Louckes, SinterCast's president, says that switching an engine block to aluminium *would* save 50 per cent of the weight at three times the cost. However, once it has been redesigned so that CGI can be used, 30 per cent of the weight could be saved at the same cost or even less. "And the foundry capacity is already in place, no new plant and equipment is needed," he points out.

He reckons that in the automotive industry alone, at least 10m tonnes of castings could usefully be switched to CGI. Louckes says CGI costs about the same as ductile iron or 25 per cent more than grey iron. To reap the benefits of CGI, products should be re-designed.

Car makers could design engines with thinner cylinders, thus cutting weight

While stronger than grey iron, *CGI's damping*, thermal conductivity and machinability are similar to or approaching those of grey iron, while its wear resistance is superior to that of nodular iron.

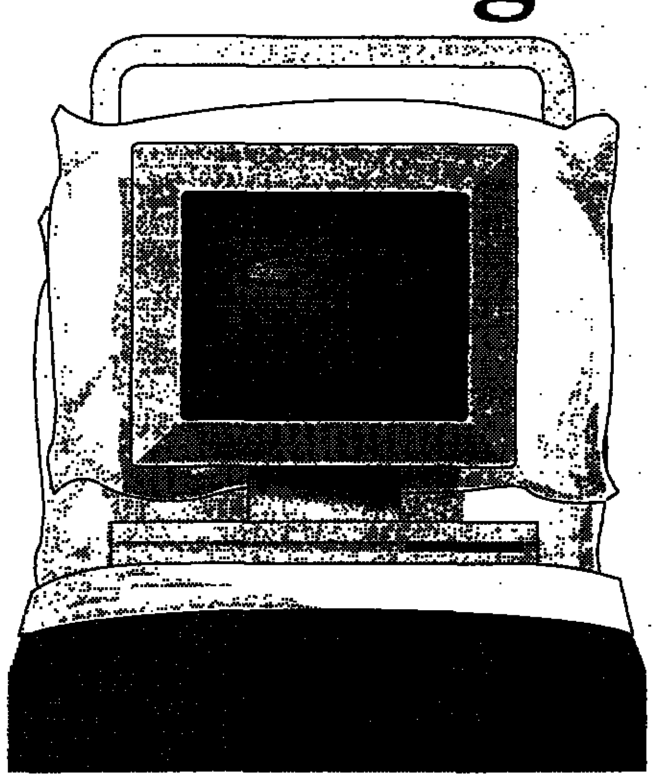
Backerud says that aluminium is not particularly suitable for car engine blocks and cylinder heads because these require high-quality aluminium – so it is not possible to use scrap or recycled material.

SinterCast, which is based at Auburn Hills, Michigan, is taking an original approach to *selling its technology.* It is offering a turn-key technical service and provides all the probes, computers and other equipment, and all the necessary additives, complete with a trained technician. "We guarantee the process. The foundry does not have to invest or worry about making the technology work," says Louckes.

In return, the foundry pays a previously-negotiated fee for each successful tonne of metal. The aim is to leave a foundry with extra profit even after paying the SinterCast fees.

Louise Kehoe warns of a computer virus that is set to attack this week

Bitten by the bug



A computer virus that is set to wipe out data stored on infected personal computers this Friday is causing widespread concern among US computer users and manufacturers. The "Michelangelo" virus may be the most widespread and potentially destructive computer virus to date, according to computer security experts.

Estimates of the number of computers that may be affected range up to 5m, but are impossible to verify. Commentary on the virus attack is ranging from hysterical to cynical. Some are predicting a worldwide catastrophe as millions of computer files are destroyed.

Others view the virus scare as a marketing ploy by companies that sell anti-virus programs and services. Whether Michelangelo turns out to be an epidemic or isolated problem, however, there is no doubt that computer viruses are multiplying and threatening to disrupt the free flow of information among computers that is one of the prime benefits of the desktop machines.

There are now about 1,000 identified viruses and at least 100 new ones have cropped up over the past two months. The sources of most viruses are unknown. However, this week two students at Cornell University in New York were arrested on charges that they unleashed *a computer virus that para*lysed computers in California and Japan.

The virus – known as the MBDFA virus – was launched on February 14 in three Macintosh computer games. It infected the computers of people who accessed the university's public computer archive to play the games.

Computers at Stanford University in California and others in Osaka, Japan were affected. The Michelangelo virus can be contracted only by using infected floppy disks, unlike many viruses which are spread over networks.

In the past, computer users could be reasonably sure of avoiding viruses so long as they used only newly purchased copies of programs and did not "borrow" copies of programs from other users.

Recently, however, viruses have infected computers at some of the largest software publishing companies in the US and at computer hardware manufacturers. Unwittingly some of these companies have passed the virus on to their customers.

Among those that have discovered the scourge in time, stringent security measures have been put in place. One of the largest suppliers of computer networking software, for example, has created a "clean room" environment in its software development laboratories by requiring employees to scan all computer disks through a virus detection system before entering.

Michelangelo is only the latest of hundreds of computer viruses to be spread among desktop computers. According to a recent survey conducted by the US National Computer Security Association and Dataquest, a market research firm, 63 per cent of personal computer users have already encountered a computer virus and 9 per cent have experienced a "virus disaster".

The survey covered more than 600,000 personal computers in businesses throughout the US and Canada. Corporate personal computers are particularly vulnerable to computer viruses, according to officials at McAfee Associates, a California computer security firm, because they are often shared among several users and typically run more programs than a home computer.

Already there have been several reports in the US of Michelangelo victims who have lost valuable data when the virus activated prematurely. These have ranged from the US National Institute of Standards and Technology to West Coast law firms and charity groups.

Michelangelo can cause total loss of data on a personal computer hard disk by writing over it with random characters. "It is a digital paper shredder," says Martin Tibor of Synapse Data Recovery, a San Rafael, California, company that specialises in eradicating infections.

This virus is spread on infected floppy disks. It is transferred to the computer memory and hard disk when an attempt is made to "boot" the computer with the infected floppy disk in place in the drive. Once the hard disk is infected the virus will infect every other floppy that is used *in the computer.*

Several software companies offer programs that can eradicate the virus. Users "scan" their computers to find out if any rogue programs are lurking in the machine's memory bank. If an infection is found, the anti-virus program will wipe it out, but that is not the end of the story.

Typically, an infected machine will have transferred the virus to every floppy disk that has been used on the computer. Users must, therefore, systematically scan the machine until every floppy disk has been checked. In a corporate setting, this can be particularly tiresome.

Tibor, who has worked on several such projects, says that it becomes essential to search the premises for disks that people have, for example, stashed in desk drawers. "I usually tell employees to bring in their home computers as well."

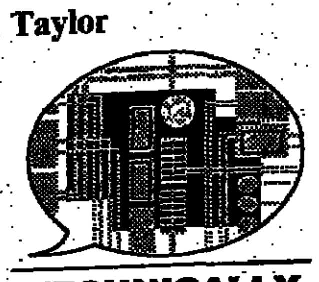
They are typically infected by disks that people take home to work *on*, he *explains*. Constant vigilance is the only sure way to avoid viruses. With new ones cropping up all the time, it becomes necessary to update frequently anti-virus programs, which only wipe out the viruses known at the time they are sold. Too many computer users scan their machines once and then forget about the problem, warns Tibor.

To deal specifically with the Michelangelo virus, several companies are offering anti-viral software programs. Central Point Software has a Michelangelo Protection Kit, which it is selling in the US for $29 (£16.50). Symantec is also offering a special Michelangelo edition of its Norton anti-virus program for a nominal fee to cover shipping.

As a precautionary measure, personal computer users may also advance the "clock" on their machines beyond Friday to try to outwit the virus program. Past scares about viruses often have proven to be overblown. But the unusually destructive nature of Michelangelo makes it hard to ignore. Following the "better safe than sorry" principle, seems to be a wise approach.

Calling in the brain surgeon

By Paul Taylor



TECHNICALLY SPEAKING

These days when one personal computer is almost identical to any *other built around* the same processor chip, differential marketing is what the PC retailing business is about.

There are many ways to distinguish Joe desktop from other clones. One is by price. Others include design, after-sales service and back-up. But an increasingly popular option is to attach an "upgradeable" sticker to the machine – or more precisely to its central processor unit (CPU).

Upgradeability is not a new concept. Most ageing desktops can accommodate more memory, a bigger hard disc and a better screen.

But making provision for a PC to have the equivalent of a brain transplant – by *swapping* its CPU – is a relatively new bandwagon, and one on to which many of the PC manufacturers are now jumping. Indeed, until relatively recently it was arguable that processor upgradeability was simply a fortunate by-product of efficient manufacturing.

Modular assembly, using a standard board into which different processor chips can be plugged to produce machines with different specifications, is often the cheapest way of manufacturing. Using this single "motherboard" design for a whole PC range generates volume savings and improves quality.

However, recent developments have made the arguments for built-in upgradeability even more compelling for the customer.

First, chip prices continue to tumble as Intel manoeuvres to maintain its dominant market position and to encourage users to climb the chip generation ladder. This means that the price of upgrades is also dropping steadily.

Second, the chip development cycle is accelerating. There is now only a two- to three-year gap between new generations of Intel processors – and the gap is getting shorter.

Third, Intel will today unveil its new DX2 chips based on its "clock doubler technology" which enables the processor to run internally at twice its usual speed and is designed to provide a "mid-life" kicker initially to its 486 range, ahead of the launch of its next generation of processors, dubbed P5, later this year. Intel will also announce its "OverDrive" companion chip for 486SX machines which speeds up all mathematical calculations.

Although the new DX2 chips are designed principally for new machines, some manufacturers have already said they will offer them as upgrades. Similarly, the OverDrive chip which plugs into the vacant co-processor socket initially in 486SX machines, will also be made available as an upgrade for DX2 machines next year.

The most obvious way a manufacturer can build in upgradeability is to provide for the removal of the existing processor from its socket on the motherboard. The upgrade can then be plugged in. Companies such as Viglen and Dell, among many others, have taken this route. Usually the upgrade package includes a special chip removing tool. The only other thing required is a steady hand.

Another route is to mount the processor on to a smaller board, known as the daughter board, which plugs into the motherboard. Upgrading is just a matter of pulling one daughter board out and replacing it.

This is the route chosen by Elonex, the UK's largest direct seller of PCs. The company does not charge a premium for its upgrades, so upgrading from a 33MHz 386DX to a 33MHz 486, for example, costs just £250.

With Intel vowing to make 1992 the year of its 80486 chip the case for choosing a 486 machine with a guaranteed upgrade path has never been stronger – provided there is little or no price premium.

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MANAGEMENT: The Growing Business

Charles Batchelor joins a group of executives to discover what makes a director different from a mere manager

The boardroom beckons

They are a mixed bunch: 19 men and one woman crowded into the Institute of Director's fourth-floor London training room for a two-day course on The Role of the Company Director.

They have come to learn what makes becoming a director different from being merely a manager. "You can be a senior executive of ICI, responsible for millions of pounds, but you don't have the same responsibilities in law as the director of a small company," says John Jackson, the IOD's programme manager.

One participant has been a director for the past year of a family-owned Midlands car dealership. Another has been invited to become a director in two months time, while a third has insisted on attending the course as part of his redundancy package. He is still looking for new employment.

The cultures of the companies from which they come are varied. One family-owned group holds its board meetings over Sunday lunch. Some hold regular monthly or quarterly meetings, but one participant, the director of a foreign-owned company, has attended just one board meeting in nine months and that was only because the directors involved came together "by accident".

Their reasons for joining the course are equally diverse. One, a director for the past nine months, says he wants to avoid repeating the mistakes he feels he has already made while a second, yet to join the board, wants "to know what I am in for". Another, a member of a third-generation family company, faces competition from several siblings and wants to improve his chances of winning a board seat.

The passing of recent legislation has made the job of being a company director a much more serious undertaking than in the past.

The Insolvency Act and the Company Directors' Disqualification Act have exposed even non-executive directors to considerable financial penalties and the possibility of disqualification for up to 15 years for negligence, let alone fraud, if they are found guilty of trading while insolvent.

It is for this reason that Henry Short, an experienced businessman and "boardroom consultant" devotes so much time to what he calls "legal and general" issues. The whole of the second day of the course is given over to an explanation of the law relating to directors.

Yet, for all the focus that recent legal changes have put on the role of the director, the law is a poor guide to directors on how they should go about their task.

The Companies Act for example sets down minimum standards but provides little practical help in establishing best practice, Short explains. A company need hold only one directors' meeting a year though this is clearly inadequate for the running of any business.

The Memorandum and Articles of Association which companies are required to have are also of little guidance. Most UK companies define their area of operations very broadly in order not to exclude themselves from future opportunities. Few directors read beyond the paragraphs relating to the dismissal of directors, Short comments dryly.

Nor is the law much help when it comes to defining a director. John Watkinson, a solicitor who provides the legal input for the course, falls back on a handy aphorism provided by Sir George Jessel, a 19th century judge.

"It does not much matter what you call them so long as you understand what their true position is, which is that they are merely commercial men managing a trading concern for the benefit of themselves and all other shareholders in it."

Most managers are flattered and excited if they are asked to become a director but the recent legislation has made it more important than ever that they check what they are letting themselves in for, says Short.

"You can't present the chairman with a list of questions before agreeing to accept but you might say: 'I am flattered but it is a serious matter. Can I discuss some matters before I give a final decision?'" he suggests.

The board is unlikely to show you the minutes of previous board meetings before you become a director but you should be able to see an up-to-date set of accounts.

One of the most common failings of newly-appointed directors is their inability to rise to the broader responsibilities which come with the job, says Short. "It won't do to be a promoted manager, continuing the job you were doing before."

In management meetings, a manager should be ready to speak on his specialist area – finance, production or marketing – but in a board meeting, a director should be informed and able to express a view on any subject on the agenda.

Directors must also be able to take a more strategic overview of their company while leaving the day-to-day running of the company to the managing director. Being a director means "knowing where you are today; deciding where you are going tomorrow and considering who or what might stop you from getting there", says Short.

The focus of the activities of a company's directors is the board meeting, the style of which can determine the effectiveness of the directors' contribution.

Short recalls one company where the chairman dominated proceedings, talking constantly and dictating his remarks into a tape recorder.

Meetings were held in the board room with participants seated in comfortable leather armchairs. The company secretary, clearly aware that he filled no useful role, spent the meeting doodling while the two young managing directors sat smoking large cigars. "I advised them to at least sit round a table," says Short.

One year later they did sit round a table and the meeting was conducted in a more businesslike way, but old habits died hard and the chairman still dictated his comments into a Dictaphone while the company secretary doodled abstractedly.

"So many board meetings are below par," says Short. "Companies should formalise things. They should not hold meetings over lunch."

The legislation setting tough penalties for directors has given an added urgency to the need for careful records to be kept of board meetings.

"It's no good saying: 'I told them we were heading for trouble,'" says Short. "You must have your comments minuted. These cases come up two, three or four years after the event by which time no-one can remember who said what. The minute book is your evidence to explain your case if an insolvency practitioner is trying to establish what went wrong."

The second day of the course, devoted entirely to the legal aspects of being a company director, provides a rapid, though still demanding, circuit of the masses of legislation governing companies, their directors, employees and contracts. "You have added responsibilities above those of a manager," says Watkinson, before going on to detail the myriad instances in which directors might fall foul of the law. An early investment in legal advice can save a very large sum at a later date, he notes.

At the end of the two days the 20 "merely commercial men (and women)" have been given new insights into what their role entails. They are just a handful of the 3,000 directors who will take one of the IOD's courses this year. But, with between 350,000 and 500,000 company directors in the UK, raising the level of directors' competence is a mammoth task.

Contact IOD Centre for Director Development, 116 Pall Mall, London SW1Y 5ED. Tel. 071 339 1233. Course fee £470 inc VAT for IOD members; £564 for non-members.

Useful reading: Becoming a director? What You Need To Know. Coopers & Lybrand Deloitte, Melrose House, 42 Dingwall Road, Croydon, Surrey CR0 2NE. 232 pages. £10 inc p&p.

When the salesman is less than frank

Frankers, the machines which stamp your mail and automatically calculate your postal charges, have attracted more than their share of unscrupulous salesmen over the years, writes Charles Batchelor.

But there are signs that the industry is tightening up its standards.

This was the conclusion of a review of the franking machine market carried out by What to Buy for Business*, a monthly consumer report on business equipment and services.

There was a sharp fall in the number of complaints from franker users compared with a previous survey in 1990, the latest edition of the magazine reported.

Despite this improvement, businesses which use franking machines (and other items of office equipment) should still keep an eye open for sharp practice, it warned.

A common claim from rogue salesmen was that a machine was no longer usable because it was obsolete, overworked or could not be repaired.

Some salesmen claimed, untruthfully, that the Post Office had withdrawn approval for a particular model. In fact, the Post Office has never withdrawn approval for any franking machine, the magazine said.

A common scare tactic was to claim that a machine was overcharging because of its deteriorating condition or that it would cost more to repair than to replace.

Users should check such claims with the service engineer, who is more likely to give unbiased information, or with the Post Office. There should be no need to replace equipment which is in working order, however old or unfashionable it may look.

Frankers have an average working life of about eight years and one user said his was 20 years old.

Salesmen sometimes claimed that the lease on a machine had to be renewed, often years before the actual expiry date. Some salesmen even attempted to tell businesses which had bought their machines that the lease was up.

One claimed that the users were not allowed to own a machine and tried to take it away for replacement with one which was leased.

Since office staff change and new employees may be unaware of the financing arrangement for a machine, details of the length of lease or whether the franker has been bought should be displayed on the machine with a note of where the paperwork can be found.

A good way to get rid of salesmen was to ask them to put the claims in writing, the magazine suggested.

Companies leasing a new franker should read the contract carefully and not sign in a hurry just because a discount is offered.

The manufacturers have been making efforts to improve the quality of their service so, if you are dissatisfied, What to Buy advised: complain.

**No 132/March 1992. What to Buy for Business, Central House, 27 Park Street, Croydon, Surrey CR0 1YD. Tel 081 680 2828. Twelve issues £105.*

Keeping it in the family

Four out of 10 family-owned businesses in France went out of family control or failed in the decade up to 1990, according to a survey* by 3i, the development capital group.

Fifty-eight per cent of the businesses which were in existence in 1980 were still in family hands 10 years later but 25 per cent were no longer family-controlled and 17 per cent had ceased trading. The researchers tracked 2,460 businesses with turnover of at least FFr20m (£2.03m) in 1980.

The loss of family control was most marked among companies involved in manufacturing and construction but less common in the food, commerce and service sectors.

Seven out of 10 owner-managers questioned in 1990 said they wanted to hand their company on to the next generation within the next 10 years by which time 83 per cent of the managers would be more than 70 years old.

This wish may prove optimistic, however. Only 25 per cent of the businesses surveyed had passed control on to the next generation in the decade up to 1990. (The remaining 33 per cent still in family hands were controlled by the same generation in command at the start of the decade.)

Owner-managers believed the principal advantages of family control were stronger motivation and the ability to respond quickly to events. However a quarter thought a shortage of funds meant family control was a brake on growth.

Twenty-three per cent of business owners envisaged selling up to another company; 5 per cent contemplated selling to their own employees by way of a management buy-out and 3 per cent had thought of permitting a buy-in by outside managers.

**Les Entreprises Familiales en France. Four-page summary (in French only). 3i, 141 avenue Charles de Gaulle, 92521 Neuilly/Seine Cedex. Tel (1) 47 15 11 00. Free.*

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Excellent Management Team with proven track records: specialising in Marketing, distribution of innovative range of products from Computer Hardware /Software to Film / TV industry. Excellent Order Book & Prospects
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Immediate decision. Nationwide collection. Payment by Bankers Draft, Phone Mark Lewis on: 0932 353453 or 0836 202956

VINTAGE MODEL CAR kit idea-¼ scale: Precut card-dies, drawings, tyres and instructions. £15,000. Write Box H6600, Financial Times, One Southwark Bridge, London SE1 9HL.

INVESTMENT OPPORTUNITIES in businesses. Venture Capital Report (est 1978) links investors & entrepreneurs. Tel: 0491 579999

PUBLIC COMPANY DIRECTOR with marketing experience seeks non executive directorships with small public and private companies. Write Box H6589, Financial Times, One Southwark Bridge, London SE1 9HL.

TRANSFER OFFER; high-sophisticated new x-ray real -time test technology. Dynamic on-line representation. Adaptable to BAS-Signal of any industrial/medical x-ray-wide range usage. We are looking for an agent to aerospace or x-ray industry. Enquiries to. MEDEM GmbH, Munich, Fax: 0049-89-759-4822.

BUSINESSES WANTED

WANTED
Construction & House Building Companies

TRY

Please write in the first instance to:
Mr R Barraclough, Company Secretary,
Try Group PLC, Cowley Business Park,
High Street, Cowley, Uxbridge UB8 2AL.

The Try Group is a significant and well respected publicly quoted Construction and Development Group, based in the South East and Midlands. As part of our overall strategy, it is our intention to continue to expand our existing contracting and house building activities through acquisition. In the case of housebuilding, this could be through the purchase of individual sites.

Ideally, we are looking for established businesses with a strong local presence which would benefit from being part of a larger group.

Shareholders / Owners wishing to divest themselves of all or part of their interest in such a company will be attracted by proposals.

An international entrepreneur looking to set up an operation within the UK is interested in businesses in the following sectors:

- Office machinery maintenance
- International courier/freight services
- Hygiene products/ pharmaceutical manufacture
- Fish processing and importing/exporting

The business should have:

- Turnover between £1m and £10m
- Reliable profit stream, but turnround considered

For further information contact Ron Pearson on tel. 071-383 5100, fax. 071-383 4052.

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The U.K. member firm of Grant Thornton International. Authorised by the Institute of Chartered Accountants in England and Wales to carry on investment business.

Video Production Company hit by the Recession?

We can offer: Accommodation; marketing/creative skills; a long list of potential clients; and financial security.
If you have skills as a director or producer and a loyal client base, let's talk.
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One Southwark Bridge
London SE1 9HL

DO YOU WANT TO SELL YOUR RETAIL BUSINESS?

We may be interested in acquiring your company if you :-
* Have a turnover of £1m-£15m.
* Are located in the UK.
* Trade at the middle to upper market level.
* Are profitable or can be made profitable by identifiable expense cuts.
If you would like to explore the possibility of disposal, please write
Box H6595, Financial Times, One Southwark Bridge, London SE1 9HL.

MANUFACTURING BUSINESS WANTED

Private, solidly established and funded BS5750 Approved electronics manufacturing Company (1.5m t/o) based in West Midlands seeks to expand by Summer 1992 via the purchase of a Company or Product Lines
Write box H6594 Financial Times
One Southwark Bridge London SE1

A LARGE LONDON FLOORCOVERING WHOLESALER WITH EXPANSION PLANS SEEKS TO AQUIRE A DISTRIBUTOR OF LIKE PRODUCTS WITH BUSINESS WITHIN S.E. U.K. SALES OF £3m - £5m G.P. 20% -25%

Please apply:
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South Crescent, Cody Road,
London, E16 4SR.

Corporate Communication Consultancy

based in South-West London
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Active in video and event production for a wide range of UK-based clients seeks similar for acquisition / merger.
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One Southwark Bridge London SE1 9HL.

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AUCTIONS

= Greenock (Scotland), 1992 =

IMPORTANT AUCTION SALE

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PRODUCER OF LARGE SLOW AND MEDIUM SPEED DIESEL ENGINES

18 East Hamilton Street, GREENOCK (Scotland)
(only 17 miles West of Glasgow Airport)

ON WEDNESDAY 25 MARCH 1992

as from 10.30 a.m.
at the "Tontine Hotel", 6, Ardgowan Square, GREENOCK

The auction will include a.o.:

HEAVY DUTY LARGE CAPACITY CNC FLOOR BORERS & EQUIPMENT

2 HORIZ. CNC FLOOR BORING MACHINES "Asquith"; FLOOR BORER "Innocenti"; HORIZ. CNC FLOORTYPE BORING DRILLING AND MILLING MACHINE "Asquith", with a.o. floor and angle plates, rotary tables and heads; 2 (HEAVY DUTY) TABLE TYPE HORIZ. BORERS;

CRANKSHAFT TURNING EQUIPMENT; 2 DOUBLE ENDED FACING & CENTRING MACHINES; ± 20 (CNC) LATHES; DRILLING MACHINES; GRINDING MACHINES; MILLING MACHINES; SAWING MACHINES; THREADING MACHINES and HONING MACHINES;

FABRICATING EQUIPMENT; WELDING EQUIPMENT; ± 50 WELDERS; PROFILE BURNING EQUIPMENT; MEASURING EQUIPMENT; CRANES AND LIFTING EQUIPMENT; VARIOUS (DIESEL ENGINE RELATED) EQUIPMENT and OFFICE FURNITURE.

This is only a brief summary of the items for sale. For full details please apply to the auctioneers.

VIEWING: Monday March 23, 1992 from 09.00 a.m. to 05.00 p.m., Tuesday March 24, 1992 from 09.00 a.m. to 05.00 p.m., as well as on the day of sale from 08.30 to 10.00 a.m., at the plant, Greenock, or by prior appointment.

FLYER AND CATALOQUE on request/INFORMATION:

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Call George on 0473 37407 or Fax 0473 37445

BUSINESSES FOR SALE

HOTEL SUPPLY COMPANY

Supplys capital goods and services. Well established. Good customer base. TO £1.2m. Profitable. Interested parties
write Box H6602, Financial Times, One Southwark Bridge, London SE1 9HL.

Unique Greeting Card Concept.

Company wishing to concentrate on main stream activities wishes to dispose of computerised greeting card division.
Write Box H6564, Financial Times, One Southwark Bridge, London SE1 9HL.

Textile importer and commission agent for sale. Agreed tax losses @ £2.5m.

Principals only.
Telephone 071-263 7111
Ref: PSW/J1079.

LUXURY PRODUCTS BATHROOM/KITCHEN

Long established Co as going concern. W/sle import distribution. 42% + GP. Sole UK import agreements. Well located W. London small warehouse/offices.
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offer rewarding business opportunities for teachers/teaching couples or businessmen. Some need building up into profitable businesses, others already provide a comfortable living and a worthwhile & enjoyable life style. School Transfer Consultants have a number of schools available throughout U.K. & Europe including nurseries, boarding schools & other colleges.
Please ring 0474-534151 for full details of our service to buyers & sellers.

MANAGEMENT EDUCATION

The FT proposes to publish this survey on
April 9 1992
It will be of particular interest to our audience of 104,000 businessmen in the UK responsible for making personnel/training decisions who read the weekday Financial Times. If you wish to reach this important audience of decision makers please contact
Sara Mason
on 071 873 3349
or Fax 071 873 3064
for further information.

Data source: BMRC Businessman Survey 1990

FINANCIAL TIMES
EUROPE'S BUSINESS NEWSPAPER

BUSINESSES FOR SALE

Touche Ross

Burts Brewery Limited

(In Administrative Receivership)

The Joint Administrative Receivers, H. C. Wilks and G. J. Watts, offer for sale the business and assets of this Isle of Wight based company.

The Brewery
- ☐ Traditional brewery, established in 1840.
- ☐ Freehold site, situated in Ventnor.
- ☐ Substantial residential property presently used partly as offices.
- ☐ Current maximum capacity is 200 barrels per week.
- ☐ Own unlimited supply of spring water.

The Hare and Hounds
- ☐ Freehold property situated at Arreton, Nr Newport.
- ☐ Tenanted public house with great charm.
- ☐ Comprises three bars, restaurant and function room and living accommodation.

The Volunteer
- ☐ Freehold property in Ventnor.
- ☐ Managed public house.
- ☐ Comprises bar, kitchen and living accommodation.

The Millbay Hotel
- ☐ Freehold property on seafront in Ventnor.
- ☐ Tenanted public house.
- ☐ Comprises two bars, cellar and living accommodation.

Off Licence
- ☐ Situated in residential area at Ventnor.
- ☐ Subject to a 99 year lease.
- ☐ Comprises shop and living accommodation.

In addition there are three residential properties.
For further information please contact H. C. Wilks, the Joint Administrative Receiver, or Ms S. O'Donoghue at the address below.

DRT International
Mountbatten House, 1 Grosvenor Square, Southampton SO1 2BE. Tel: 0703 334124. Fax: 0703 330948.
Authorised by the Institute of Chartered Accountants in England and Wales to carry on Investment Business.

Ukadian Interiors Limited

(In Receivership)

Taunton

The company specialises in the manufacture, supply and installation of kitchen, bathroom and office furniture.

- Leasehold premises 60,000 sq ft
- Easy access to M5
- Annual turnover approx £3.7m
- Computer controlled processing
- Prestigious customer base

For further details contact the Joint Administrative Receiver: M P Gerrard, Grant Thornton, 43 Queen Square, Bristol BS1 4QR.
Tel: 0272 268901
Fax: 0272 265458

Grant Thornton

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MANUFACTURERS & WHOLESALE DISTRIBUTORS OF SOFT DRINKS

Gardner-Shaw (Soft Drinks) Limited

The Joint Administrative Receivers, J.F. Powell and D.R. Wilton offer for sale the business and assets of this well established manufacturing and distribution company.

Principal features of the business include:

- Turnover of c. £2m.
- Freehold manufacturing premises & offices based in Brierley Hill, West Midlands, close to Merry Hill Development.
- Own brand name of "Crown" established for 90 years.
- Freehold Off License in Shifnal near Telford with turnover of c. £250,000.

For further information, please contact John Powell or Phillip Allen at Cork Gully, 43 Temple Row, Birmingham B2 5JT. Telephone: (021) 200 4150.
Fax: (021) 200 4040.

Cork Gully

Cork Gully is authorised in the name of Coopers & Lybrand Deloitte by the Institute of Chartered Accountants in England and Wales to carry on Investment Business.

Touche Ross

Precision Measuring Systems Manufacturer

(In Administrative Receivership)

The Joint Administrative Receivers, L. K. Denney and J. Wilson, offer for sale the assets of the business:

- ☐ Market leaders in co-ordinate measuring machines for automotive and aerospace engineering industries.
- ☐ Leasehold premises Derby, East Midlands, 6250 sq. ft.
- ☐ Skilled management and workforce.
- ☐ Turnover in previous years circa £3m now £2.5m.
- ☐ Worldwide market, strong Far East connections, good order book.

For further information please contact Lindsay Denney or Ian Stanton at the address below.

DRT International
1 Woodborough Road, Nottingham NG1 3FG.
Tel: 0602 500511. Fax: 0602 590979.
Authorised by the Institute of Chartered Accountants in England and Wales to carry on Investment Business.

Dried Food Distributor through Franchised Outlets

The Joint Administrative Receivers offer for sale the business and assets of Weigh & Save Limited and certain subsidiary companies.

Principal features:

- *45 franchise agreements throughout the UK*
- *37 leasehold properties*
- *Annual turnover in excess of £3.4 million*
- *Established trading name*

For further details please contact Mr. W. S Martin or Mr. D. G. Platt of Ernst & Young, Lowry House, 17 Marble Street, Manchester M2 3AW.
Telephone: 061-953 9000.

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Authorised by The Institute of Chartered Accountants in England and Wales to carry on investment business.

LEONARD CURTIS

BY ORDER OF THE JOINT ADMINISTRATIVE RECEIVERS
DAVID SWADEN FCA & DERMOT J. POWER FCA
IN THE MATTER OF

RINGLEY WOODCRAFT LIMITED

Offers are invited for the business and assets of the above company.
Its principle activities are the manufacture and installation of high quality kitchens, bedrooms and replacement kitchen doors.

- Modern freehold premises of 9,500 sq. ft. in North Manchester close to Motorway network.
- Specialist cabinet making facilities.
- Franchised selling network.
- Annual turnover approaching £1 million.

Enquiries should be addressed to Ges Ratcliffe at:
Leonard Curtis & Partners, Chartered Accountants
Peter House, Oxford Street, Manchester, M1 5AB
Tel: 061 236 1955 Fax: 061 228 1929

REPUBLIC OF POLAND
Ministry of Privatisation
Invitation to Negotiate
Wydawnictwo Naukowe PWN Sp.z.o.o. ("PWN")

As part of its privatisation programme, the Head of the Ministry of Privatisation hereby issues an invitation to negotiate, in accordance with the Provisions of Clause 23 of the State Enterprise Privatisation Act of 13 July 1990 (the "Privatisation Act"), to parties with proven experience in the publishing industry who are interested in acquiring not less than 10% and up to 80% of the shares of PWN. Employees of PWN will be offered up to 20% of the shares in the company on preferential terms, in accordance with Clause 24 of the Privatisation Act.

PWN, which is based in Warsaw, is a limited liability publishing company specialising in encyclopedias dictionaries, and scientific, technical and medical journals. Interested parties will be expected to have relevant experience in the publishing industry to demonstrate their commitment to the continued development of PWN's business.

An Information Memorandum is available, subject to signature of a confidentiality agreement, and may be obtained from York Trust Limited, who are acting as advisor to the Ministry of Privatisation, at the address given below.

The deadline for receipt of offers by York Trust Limited is 5:00pm (UK time) on 31st March 1992. The Ministry of Privatisation reserves the right to reject submitted offers or to modify the privatisation, should it be in the interest of the Ministry or PWN.

All enquiries concerning this invitation to negotiate and any offers should be addressed to: York Trust Limited, St. Paul's House, Park Square, Leeds, West Yorkshire, England. LS1 2PJ.
Attention: Gail Monnickendam or Neil Milne (Tel: 0532 460132).

ADMIRALTY COURT SALE

Dutch built motor barge-converted into luxury Victorian Cruising Hotel

"CAPTAIN WEBB"

Believed built of iron 1896 Holland as traditional Dutch Klipper.

About 180 tons gross – about 175.82 tons Thames measurement Dimensions about 32m o.a. length × 6m × 2m depth, draft about 1.5m 6 cyl. 4 SCSA Van Doornes (DAF) diesel, installed 1958, about 86 BHP.

Two double-cabins, three twin-cabins, two single cabins, each having private shower and hand basins, toilet facilities 'ensuite'.

Saloon fully lined and fitted out with bar, two settees, dining tables with 12 seats and galley area aft having two gas cookers, oven & grill, gas water boiler, also sink unit; heating by solid fuel stove. Eight or nine crew accommodation aft. Vessel registered Southampton 1981.

The "CAPTAIN WEBB" is lying Richmond-on-Thames.
All offers "as is, where is" must be made on the Admiralty Marshal's Conditions of Sale by latest noon, 23rd April, 1992.

THE ABOVE PARTICULARS ARE GIVEN IN GOOD FAITH BUT NO RESPONSIBILITY CAN BE ACCEPTED FOR THEIR ACCURACY. PURCHASERS MUST MAKE THEIR OWN ENQUIRIES.

For permits to view, plan, conditions of Sale, etc., please apply to the
SOLE BROKERS:
C. W. KELLOCK & CO LTD.
Rodwell House, Middlesex Street, London E1 7HJ
Tel: 071-247 8623 Fax: 071-247 4548 Telex: 8811031

LIGHT ENGINEERING

Profitable company for sale in the South of England. BS5750/QA accredited. Loyal workforce. Good client base and order book with potential. Reasonably priced. Genuine reason for sale.
Enquires in writing to :
Keelings (Ref: NJ6)
Chartered Accountants
5th Floor, Northway House,
High Road, London N20 9LP.

BAKERY AND RETAIL CHAIN MIDLANDS

Upon the retirement of the proprietors this long established and privately owned company wishes to dispose of its above business with annual turnover of over £8½m.
Write box H6557
Financial Times,
One Southwark Bridge,
London SE1 9HL

FOR SALE
Polyethylene film business.

Extruders of quality shrink film, sheeting,LF/T and bags.
Well established. Excellent client base. Profitable turnover in excess of £2,500,000.00 pa.

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U.S. USED AND low-end computers for shipment worldwide. Bretton Woods Trading. Fax USA 312-573 0005 or call 573 0003 with enquiries and requests.

BUSINESS TO BUSINESS MAIL ORDER AND MANAGEMENT TRAINING COMPANY

For sale as a going concern this business represents a unique opportunity for acquisition. Its principal features are:

- annual turnover of c.£4.0 million
- profitable with good track record
- unique market position with national brand name
- substantial blue chip customer base
- future opportunities for growth

This high profile company would suit serious acquirers in the business to business mail order fields or high profile management services companies.

The vendor wishes to sell in order to pursue his other professional interests.

All applications for the business memorandum will be vetted.

Please address all enquiries to Martin Goddard at
Auckland Goddard Hampson & Swain
Hogarth House
31 Sheet Street
Windsor
Berks SL4 1BY
Tel: 0753 831525

AGHS

Auckland Goddard Hampson & Swain is authorised to carry out investment business by the Institute of Chartered Accountants in England and Wales.

BUSINESSES FOR SALE

HOTEL BUSINESS FOR SALE

Grand Mark Securities Plc
Grand Mark Hotels Plc
Marlborough Holiday Centres Ltd

(ALL IN RECEIVERSHIP)

The Joint Administrative Receivers offer the assets of the business for sale as a going concern, either as a group or individually. The business comprises seven hotels, six of which are licensed. Details as follows :

Concern	Location	Number of Bedrooms	Approx T/O Y/E Oct 91 £
Red Lea Hotel	Scarborough	69	671,000
The Ormescliffe Hotel	Llandudno	60	427,000
Ambassador Hotel	Great Yarmouth	36	198,000
Broadway Hotel	Morecambe	41	232,000
Beach Hotel	Isle of Sheppey	37	} 276,000
Little Oyster Holiday Centre	Isle of Sheppey	19	}
Warwick Grange Hotel	Royal Tunbridge Wells	12	est. 30,000

The freehold properties of all concerns are owned by the companies as are a substantial portion of the fixtures and fittings.

Interested parties should please contact the Joint Administrative Receivers' property agents, Messrs. Knight Frank & Rutley, quoting reference : **Hotel Dept.**
Telephone : 071-629 8171
Facsimile : 071-493 4114

Knight Frank & Rutley
INTERNATIONAL
071-629 8171

LEVY GEE & PARTNERS
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Fryma

The Joint Administrative Receivers offer for sale as going concerns the businesses of Fryma Fabrics Ltd. an Industrial Fabric Manufacturer, and Fryma Manufacturing Ltd., a cut and sew operation.
The companies trade from 3 leasehold premises in Nottingham.

Fryma Fabrics

Principal features include:

- Producer of a wide range of knitted fabrics for agricultural, horticultural and industrial sectors.
- Blue chip customer base with substantial order book
- Skilled workforce.
- Modern, purpose built leasehold premises of 56,000 sq ft
- Turnover approximately £8 million p.a., 30% of which is exported.

Fryma Manufacturing

Principal features include.

- Manufacturer of a range of finished products ranging from hi-visibility garments to lawnmower grass bags
- Customers are public bodies and major OEMs.
- Experienced workforce.
- 2 leasehold premises in Nottingham, total 15,000 sq. ft.
- Turnover approximately £3 million p.a.

For further information contact the Joint Administrative Receivers, Ian Chisholm or Mick McLoughlin, KPMG Peat Marwick, St Nicholas House, Park Row, Nottingham NG1 6FO
Tel: 0602 483444. Fax: 0602 483401

KPMG Corporate Recovery

By order of
The Jnt Administrative Receivers
D.J. Buchler & L.A. Manning
**MONTAGUE PARK HOTEL
BLOOMSBURY
LONDON, WC1**
For sale as a going concern
48 year lease
at £500 p.a.
109 Bedrooms + Restaurant, Conference & Banqueting Suites etc.
Totally Refurbished 1991
Full details from
Sole Agents
REIFF, DINER & CO
179 NEW BOND STREET
LONDON W1Y 9PD
071 491 3154

By order of
The Jnt Administrative Receivers
D. J. Buchler & L.A. Manning
**CASTLE MONA HOTEL
DOUGLAS
ISLE OF MAN**
Freehold Hotel For Sale
76 Bedrooms, Ballroom, Banqueting and Conference Suites, Restaurant etc; plus 20 Staff Bedrooms.
Refurbished 1988
Full details from
Joint Sole Agents
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CHRYSTALS
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DOUGLAS
0624 625100

TAX FREE-OFFSHORE-LIMITED COMPANY

Including Seaside English Property-Shops, Offices, Flats & Optional luxury 200 m2 penthouse-FOR SALE-Freehold Property-Offers around 2 Million Dollars.

Write Box H9813, Financial Times, One Southwark Bridge, London SE1 9HL

PRECISION ENGINEERING GROUP OF COMPANIES

S & N Engineering Limited
Reynolds (Nottingham) Limited
Whiting Machine Tools Limited

The Joint Administrative Receivers, L Robert Bailey and John F Powell, offer for sale the business and assets of the above companies.

Principal features of the businesses include:

- Precision sub-contract engineering division
- Refrigeration refurbishment division
- Group turnover of approximately £750,000 per annum
- Freehold premises c. 10,000 sq ft
- BS 5750 Part 2 and major blue - chip company approvals
- Modern equipment and skilled workforce

For further information, please contact Lisa Fretwell at Cork Gully, Cumberland House, 35 Park Row, Nottingham NG1 6FY. Telephone: 0602 470658.
Fax: 0602 410192.

Cork Gully is authorised in the name of Coopers & Lybrand Deloitte by the Institute of Chartered Accountants in England and Wales to carry on Investment Business.

Cork Gully

Fine Bone China Manufacturer and Retailer

Worcester

The Joint Administrative Receivers offer for sale, as a going concern, the business and assets of Albany Fine China Company Limited.

The company is involved in fine bone china design, production and retailing.

Principal features include:

- Freehold factory comprising 6,500 square feet.
- Two retail outlets – Nottingham and Worcester.
- Highly skilled workforce of ten.
- Extensive product range including limited editions.

For further information contact the Joint Administrative Receivers, Myles Halley or John Wheatley, KPMG Peat Marwick, Peat House, 1 Waterloo Way, Leicester LE1 6LP. Tel: (0533) 471122. Fax: (0533) 547262.

KPMG Corporate Recovery

**CASH BUSINESS
WINE BAR & RESTAURANT
S.W. LONDON**

Two successful bar/restuarants for sale.
Both freehold corner sites,
3,000 sq.ft.plus. Healthy cash sales, good development potential.
For further details contact J. Symes,
081 879 1212.

HAMLET FURNITURE

The impending retirement of the managing director of the above company results in the offer for sale of the assets of the company.
- High quality sold pine furniture.
- Sold by direct mail.
- Still profitable.
- 16 full time 7 part time staff.
- Optional 12,000 sq ft leasehold factory.

For further particulars please contact:
Ian Woodbury or Nigel Howell
Newland Mallett Garner Woodbury & Co.
Crown House, 37-41 Prince Street Bristol, BS1 4PS.
Telephone 0272 277702

ALBANY PACKAGING LIMITED

(IN ADMINISTRATIVE RECEIVERSHIP)

The Joint Administrative Receivers offer for sale on a going concern basis the business and assets of a well respected packaging company.

- Annual turnover approximately £1 million.
- Substantial freehold property (in excess of 30,000 square feet over three floors) in Stratford, East London.
- Several blue-chip customers.
- Skilled workforce.

For further information please contact:
J J Gleave or P Stanley,
Arthur Andersen,
Bank House,
9 Charlotte Street,
Manchester M1 4EU.
Tel: 061-200 0302
Fax: 061-200 0343

Arthur Andersen & Co. is authorised by the Institute of Chartered Accountants in England and Wales to carry on investment business.

ARTHUR ANDERSEN

SUBSTANTIAL PRIVATELY OWNED HOLIDAY Business for sale. Due to ill-health. Good staff, currently producing 15%- net profit. Quantifiable growth and increased profits. Could suit investors, pension fund trust etc. Please contact owner direct - Tel 069 282 218.

FOR SALE
Magnetic Disk Manufacturing Facility

ATLANTIC MAGNETICS LIMITED
(In Receivership)

Floppy disk manufacturer's modern purpose built sterile facility. The company manufactures high and low 3½" and 5¼" density magnetic computer flexible disks. Established distribution to continental Europe and United Kingdom.
Features of the facility include:
- State of the art premises — 3,700 sq. mtrs. • Class 10,000 clean room.
- Experienced and skilled workforce — up to 280 people available.
- Quality O.E.M. products. • Established European markets. • Quality customer network. • Branded product. • Distribution centre based in United Kingdom.
- Located in Ireland.

FOR FURTHER INFORMATION CONTACT:
**John Donnelly, Deloitte & Touche,
Receiver and Manager, Atlantic Magnetics Limited, (In Receivership)
Deloitte and Touche House, Earlsfort Terrace, Dublin 2, Ireland.
Telephone: Dublin 754433. Fax: Dublin 756622.**

Deloitte & Touche
Chartered Accountants

ESTABLISHED GOLF COMPLEX

in South of England including driving range, bar & restaurant. Further development potential.

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EVERYTHING MUST GO
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6 FLOORS OF GOOD QUALITY FURNITURE LESS THAN 18 MONTHS OLD

Executive Suites
Mahogany & Oak Desks
VDU Chairs
4 Conference Tables with Chairs
132 4' Mahogany Computer Desks

MUST BE CLEARED THIS WEEK
Tel: 081 549 9339

**FOR SALE
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UK based company, with excellent market position, seeks trade investor/purchaser to enable exploitation of potential. Turnover £7.5 million
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Magnificent 4 Star Hotel in prime location 55 superbly appointed en-suite letting bedrooms. Characterful Bay Restaurant with 60 covers. Country Kitchen Bistro with 30 covers. Popular "Ayre Suite" Function Room for up to 350. "Club Henley" Leisure facility with swimming pool, jacuzzi, solarium and other facilities. T/O to y/e 30.9.90—£1,059,393 exc. VAT.
£1.6 million freehold.
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Manchester Office—061-833 3311

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Commercial Hotel**
Busy location. 33 ensuite rooms. PP for further 25 plus additional conference room (75/100). Bar, restaurant. Rental income from 3 shops
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For further details contact:
PAUL STEWARD, Birmingham Office on 021 456 1222

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For further information or to advertise in this section please contact
Melanie Miles on 071 873 3308

FINANCIAL TIMES
EUROPE'S BUSINESS NEWSPAPER

WILLIAM WAY (CAMBERLEY) LIMITED

V C Wright and B R A Callaghan, the Joint Administrative Receivers, offer for sale the business and assets of the above company which trades as a builders merchant and DIY retailer in Camberley, Surrey.

- Turnover 1991 approximately £800,000
- Experienced workforce
- Freehold premises including builders yard and undeveloped plot
- 4 freehold private residences

For further information please contact V C Wright/B R A Callaghan, Chantrey Vellacott, 10/12, Russell Square, London, WC1B 5LF. Telephone 071-436 3666: Fax 071-436 8884

CHANTREY VELLACOTT
CHARTERED ACCOUNTANTS

CONTRACTS AND TENDERS

ARGENTINE RACETRACK

PUBLIC INVITATION TO TENDER.

The Government of the Argentina Republic hereby issues international public invitation to tender nº 01/92 for the concession to exploit the "Argentine Racetrack" ("Hipódromo Argentino"), for twenty-five (25) years.

Decree nº 292/92

TENDERS WILL BE OPENED ON: April 28, 1992
Time: 10.00 a..m.
Place: Defensa nº 120, piso 1º, Salón de las Banderas, Buenos Aires (Argentina)

PRICE OF TENDER DOCUMENTS: Ten thousand United States dollars (USS 10,000.-)

TENDERS DOCUMENTS ON SALE AT: Defensa nº120, piso 1º, oficina 1088 (depto. compras), Buenos Aires, from 10 to 12 a.m. and from 2 to 4 p.m.

TENDERS DOCUMENTS AVAILABLE FOR CONSULTATION AT:
Defensa nº 120, piso 1º, oficina 1055, Buenos Aires (Argentina), from: 11a.m. to 5 p.m. For further information call at (54-1) 334-4461

GOVERNMENT OF THE ARGENTINE REPUBLIC
MINISTRY OF HEALTH AND SOCIAL AFFAIRS

POLLY PECK INTERNATIONAL PLC (IN ADMINISTRATION)

Informal Conference in the Administration of Polly Peck International Plc

The Joint Administrators of Polly Peck International Plc ("PPI") have convened an informal conference of creditors of PPI (other than shareholders) with claims exceeding £10,000 and who are not also creditors of Polly Peck Finance Plc. The conference will be held at 2.30pm on Thursday 12 March 1992 at the Chartered Insurance Institute, 20 Aldermanbury, London EC2V 7HY. The Joint Administrators wish to discuss the results of their investigations into the issue referred to in paragraph 401 of the Report to Creditors dated 30 October 1991, which read:

> "In May the Administrators reported that the rights of certain creditors of the Group had yet to be fully established. While most issues have now been resolved, there is conflicting evidence over one issue, namely the routing of a large transfer of money prior to Administration. This will have a significant impact on the amount of dividend actually paid to different categories of creditors. The Administrators are taking steps to obtain directions from the Court to resolve this issue, although in view of its importance to the relative position of a number of creditors, it could be some months, possibly years, before the position is clarified."

Admission to the conference will be limited to representatives of creditors of PPI (other than shareholders) with claims exceeding £10,000 and who are not also creditors of Polly Peck Finance Plc. Persons attending will be required to produce an original letter from the respective creditor listing the full names and addresses of the authorised representative(s). The number of representatives will be limited to two per creditor.

For ease of administration, all creditors intending to attend are requested to give prior notification to John Pakenham-Walsh of the Joint Administrators staff (Telephone: (071) 583 5000. Fax: (071) 606 9887).

Please note this is not a formal meeting of the creditors of the company and no formal resolutions will be considered.

M A Jordan
Joint Administrator of
POLLY PECK INTERNATIONAL PLC
who acts as agent of the company and without personal liability.
27th February 1992

LEGAL NOTICES

No. 001884 of 1992

IN THE HIGH COURT OF JUSTICE
CHANCERY DIVISION

IN THE MATTER OF TARGET LIFE ASSURANCE COMPANY LIMITED
- and -
IN THE MATTER OF PROVIDENCE CAPITOL LIFE ASSURANCE COMPANY LIMITED
- and-
IN THE MATTER OF THE INSURANCE COMPANIES ACT 1982

NOTICE IS HEREBY GIVEN that a Petition was on 21st February 1992 presented to Her Majesty's High Court of Justice by the above named Target Life Assurance Company Limited (hereinafter called "Target Life") for:

1) the sanction of the Court under section 49 of the Insurance Companies Act 1982 to a Scheme providing for the transfer to the above named Providence Capitol Life Assurance Company Limited (hereinafter called "Providence Capitol") of part of the long term business carried on by Target Life; and
2) Orders making ancillary provisions in connection with the said transfer under section 50 of the said Act.

Copies of the petition, the Scheme and a report by an Independent Actuary in pursuance of the said section 49 may be inspected at the registered office of Target Life at The Exchange, 66 High Street, Aylesbury, Bucks, HP20 1SE and at the registered office of Providence Capitol at Providence House, 2 Bartley Way, Hook, Basingstoke, Hampshire RG27 9XA during usual business hours for a period of 21 days from the publication of this notice.

The Petition is directed to be heard before the Honourable Mr. Justice Mummery at the Royal Courts of Justice, Strand, London WC2A 2LL on Monday the 6th April 1992. Any person, including any employee of the said companies, who claims to be adversely affected by the Scheme may appear at the time of hearing in person or by Counsel. Any person who intends so to appear and any policy holder of the said companies who dissents from the Scheme but does not intend so to appear, should give not less than two clear days prior notice in writing of such intention or dissent, and the reasons therefor, to the Solicitors named below.

Copies of the documents specified above will be furnished by such Solicitors to any person requiring them prior to the making of an order sanctioning the Scheme on payment of the prescribed charge therefor.

DATED this 3rd day of March 1992
ROWE & MAW
20 Black Friars Lane
London EC4V 6HD
Tel : 071 248 4282
Ref : 79/321/23653-3
Solicitors for Target Life
4021c

Advertisement of Creditors meeting under Section 48(2) of the Insolvency Act1986
Company No: 866725. Registered in England.

LOALAND LIMITED

NOTICE IS HEREBY GIVEN, pursuant to Section 48(2) of the Insolvency Act 1986, that a meeting of the unsecured creditors of the above named company will be held at: Orchard House, 10 Albion Place, Maidstone, Kent on 9 March 1992, at 12:00 pm for the purpose of having laid before it a copy of the report prepared by the Joint Administrative Receivers under Section 48 of the said Act. The meeting may, if it thinks fit, establish a committee to exercise the functions conferred on creditors' committees by or under the Act. Creditors are only entitled to vote if:
(a) they have delivered to us at the address shown below, no later than noon on 2 March 1992, written details of the debts they claim to be due to them from the company, and the claim has been duly admitted under the provisions of Rule 3.11 of the Insolvency Rules 1986; and
b) there has been lodged with us any proxy which the creditor intends to be used on his or her behalf.
Please note that the original proxy signed by or on behalf of the creditors must be lodged at the address mentioned; photocopies (including faxed copies) are not acceptable.
Dated this 21 day of February 1992.
NIGEL JOHN VOOGHT, Joint Administrative Receiver.

Advertisement of Creditors meeting under Section 48(2) of the Insolvency Act 1986
Company No: 866725. Registered in England and Wales

FRAMETEC LIMITED

NOTICE IS HEREBY GIVEN, pursuant to Section 48(2) of the Insolvency Act 1986, that a meeting of the unsecured creditors of the above named company will be held at: Park Hotel, Park Place, Cardiff on 3 March 1992, at 11.00 am. for the purpose of having laid before it a copy of the report prepared by the Joint Administrative Receivers under Section 48 of the said Act. The meeting may, if it thinks fit, establish a committee to exercise the functions conferred on creditors' committees by or under the Act. Creditors are only entitled to vote if:
(a) they have delivered to us at the address shown below, no later than noon on 2 March 1992, written details of the debts they claim to be due to them from the company, and the claim has been duly admitted under the provisions of Rule 3.11 of the Insolvency Rules 1986; and
b) there has been lodged with us any proxy which the creditor intends to be used on his or her behalf.
Please note that the original proxy signed by or on behalf of the creditors must be lodged at the address mentioned; photocopies (including faxed copies) are not acceptable.
Dated this 12 day of February 1992.
J P Considine, Joint Administrative Receiver, Cork Gully, Churchill House, Churchill Way, Cardiff CF1 4XQ

Notice of appointment of Joint Administrative Receivers.

ACCESS FINANCIAL MANAGEMENT LIMITED

Registered number: 1953499. Nature of business: Insurance Brokers. Trade classification: 33. Date of appointment: 20 February 1992. Name of person appointing the administrative receivers: Equity & Law Life Assurance Society plc.
JOHN FREDERICK POWELL and DAVID JOHN CORNEY, Joint Administrative Receivers, (Office holder nos: 1768 and 2530). Cork Gully, 43 Temple Row, Birmingham B2 5JT.

Notice of appointment of Joint Administrative Receivers.

HAMILTON SLADE COMPANY LIMITED

Registered number: 405320. Trading Name: Hamilton Slade Company Limited. Nature of business:Constructional Engineering & Contractors. Trade classification: Engineering. Date of appointment of administrative receivers: 18 February 1992. Name of person appointing the administrative receivers: Midland Bank Plc.
N J Vooght and J M Iredale, Joint Administrative Receivers, (Office holder nos: 6339 and 2014). Orchard House 10 Albion Place, Maidstone Kent ME14 5DZ. 9 Greyfriars Road, Reading Berks RG1 1JG

Advertisement of creditors' meeting under Section 48(2) of the Insolvency Act 1986
Company No: 1363552. Registered in England and Wales.

HILL AUDIO LIMITED

NOTICE IS HEREBY GIVEN, pursuant to Section 48(2) of the Insolvency Act 1986, that a meeting of the unsecured creditors of the above -named company will be held at: Orchard House, 10 Albion Place, Maidstone, Kent, ME14 5DZ on 9 March 1992, at 10.30 am, for the purpose of having laid before it a copy of the report prepared by the Administrative Receivers under Section 48 of the said Act. The meeting may, if it thinks fit, establish a committee to exercise the functions conferred on creditors' committees by or under the Act.Creditors are only entitled to vote if:
(a) they have delivered to us at the address shown below, no later than noon on 6 March 1992, written details of the debts they claim to be due to them from the company, and the claim has been duly admitted under the provisions of Rule 3.11 of the Insolvency Rules 1986; and
(b) there has been lodged with me/us any proxy which the creditor intends to be used on his or her behalf.
Please note that the original proxy signed by or on behalf of the creditors must be lodged at the address mentioned; photocopies (including faxed copies) are not acceptable.
Dated 21 February 1992.
Signed: NIGEL JOHN VOOGHT, Joint Administrative Receiver

Notice of appointment of Joint Administrative Receivers.

MARATHON CONTRACTS LIMITED

Registered number: 1613529. Nature of business:Shopfitters and Specialists Joinery Manufacturers. Trade classification: 9. Date of appointment of administrative receivers: 19 February 1992. Name of person appointing the administrative receivers: Bank of Scotland
IAN NAPIER CARRUTHERS and DAVID ROBERT WILTON, Joint Administrative Receivers, (Office holder nos: 6682 and 5708). Cork Gully, 43 Temple Row, Birmingham B2 5JT.

Notice of appointment of Joint Administrative Receivers

RENCORE (ELECTRICAL) LIMITED

Registered number: 1808578 Nature of business:Electrical contractors Trade classification: 27. Date of appointment of administrative receivers: 21 February 1992. Name of person appointing the administrative receivers: National Westminster Bank Plc.
NJ Vooght and MJ London, Joint Administrative Receivers. (Office holder nos: 6339 and 2082). Melrose House 42 Dingwall Road, Croydon, Surrey CR0 2NE.

NOTICE OF A MEETING OF CREDITORS
[illegible] GROUP LIMITED
(IN ADMINISTRATIVE RECEIVERSHIP)

NOTICE IS HEREBY GIVEN pursuant to Section 48(2) of the Insolvency Act 1986, that a Meeting of Creditors of the above-named Company will be held at The Palace Hotel, 31 Great Cumberland Place, Marble Arch, London, on 10th March 1992 at 11.00 a.m. for the purposes mentioned in Sections 48 and 49 of the said Act.

A person is only entitled to vote at this meeting if:
a) details in writing of the debt claimed to be due from the Company have been given to us, not later than 12.00 noon on the business day next before the meeting, and
b) there has been lodged with us a proxy which is intended to be used at the meeting.

If you wish to participate in the meeting of creditors, would you please forward details of your claim against the company, and any proxy which you wish to be used on your behalf, to the offices of Latham Crossley & Davis, 45 Conduit Street, London W1R 9FB.
Dated this 21st February 1992
Peter S. Dunn FCA, Administrative Receiver

BERTINOR COMPANY NV

NOTICE IS HEREBY GIVEN that I, Timothy Richard Harris of Shelley House, 3 Noble Street, London EC2 was appointed liquidator of the above named company on 2 July 1991. Any debts due to the company should be paid to me and any claims should be notified to me at the aforementioned address by 30 June 1992
T R Harris, Liquidator
21 February 1992

Notice of appointment of Joint Administrative Receivers.

NEW ROAD MOTORS (SOUTH WALES) LIMITED

Registered number: 02063058. Nature of business: Used Car Dealers. Date of appointment: 11 February 1992. Name of person appointing the administrative receivers: National Westminster Bank Plc.
JOSEPH PATRICK CONSIDINE and RICHARD ANTHONY SMART, Joint Administrative Receivers, (Office holder nos: 1768 and 2530). Cork Gully, Churchill House, Churchill Way, Cardiff CF1 4XQ.

Notice of appointment of Joint Administrative Receivers

RENCORE (MECHANICAL) LIMITED

Registered number: 2349868. Nature of business: Mechanical contractors. Trade classification: 27. Date of appointment of administrative receivers: 21 February 1992. Name of person appointing the administrative receiver(s): National Westminster Bank Plc.
N J Vooght and C J Hughes, Joint Administrative Receivers, (Office holder nos: 6339 and 2082). Address: Melrose House, 42 Dingwall Road, Croydon, Surrey CR0 2NE

Notice of appointment of Joint Administrative Receivers.

RENCORE (BUILDING SERVICES) LIMITED

Registered number: 2367972. Nature of business: Building contractors. Trade classification: 27. Date of appointment of administrative receivers: 21 February 1992. Name of person appointing the administrative receiver(s): National Westminster Bank Plc.
N J Vooght and C J Hughes, Joint Administrative Receivers, (Office holder nos: 6339 and 2082). Address: Melrose House, 42 Dingwall Road, Croydon, Surrey CR0 2NE

Notice of appointment of Joint Administrative Receivers.

HENRY WILLCOCK & COMPANY LIMITED

Registered number: 219659. Trading name: Wilcock Construction . Nature of business: Building Contractors. Trade classification: 5002. Date of appointment: 21 February 1992. Name of person appointing the administrative receivers: Barclays Bank Plc.
JOSEPH PATRICK CONSIDINE and RICHARD ANTHONY SMART, Joint Administrative Receivers, (Office holder nos: 1768 and 2530). Cork Gully, Churchill House, Churchill Way, Cardiff CF1 4XQ.

Notice of appointment of Administrative Receiver

TOPICDALE LIMITED

Registered number: 2584262. Trading name: Hair by Alan d. Nature of business: Hairdressing. Date of appointment of administrative receivers(s):14 February 1992. Name of person appointing the administrative receiver(s): National Westminster Bank Plc.
N J Vooght and C J Hughes, Joint Administrative Receivers, (Office holder no(s): 6339 and 2041 respectively). Address: Melrose House, 42 Dingwall Road, Croydon, Surrey CR0 2NE

Notice of appointment of Joint Administrative Receivers.

R TABBITT LIMITED

Registered number: 1106288. Nature of business: Motor body builders and repairers. Date of appointment: 13 February 1992. Name of person appointing the administrative receivers: The Governor & Company of The Bank of Scotland
JOHN BARLOW AND CHRISTOPHER JOHN HUGHES, Joint Administrative Receivers, (Office holder nos: 552 and 2041). Cork Gully, Shelley House, London EC2V 7DO.

MANAGEMENT EDUCATION

The FT proposes to publish this survey on
April 9 1992
It will be of particular interest to our audience of 104,000 businessmen in the UK responsible for making personnel/training decisions who read the weekday Financial Times. If you wish to reach this important audience of decision makers please contact
Sara Mason
on 071-873 3349 or
Fax 071 873 3064
for further information.

Data source: BMRC Businessman Survey 1990

FINANCIAL TIMES

CONTRACTS AND TENDERS

Turkish Airlines invites any interested parties to tender for the supply of JET FUEL A-1 for the period 1st May 1992-30th April 1993 inclusive, at European, Middle East and USA Airports.
Fuel will be purchased under sealed tender by adjudication.
Proposals must be delivered on or before 8th April 1992 - 10.00am local time to the address shown below.
Full information on bidding together with technical and administrative conditions are also available, details of contacts are shown below.

Turkish Airlines Inc.
11-12 Hanover Street,
London W1R 9HF.

or
Turkish Airlines Inc.
Fuel Management
Ataturk Airport
General Management Building
A Bloc 2nd Floor
Istanbul, Turkey.
Telex No. 28871 OXTKTR or 21198 TJTKTR
Tel: 010 901 574 74 03 / 010 901 574 73 00 EXT 1250 or 1253
Fax: 010 901 574 74 44 / 010 901 574 76 04

LEGAL NOTICE

NOTICE OF A MEETING OF CREDITORS
THE BUCKSTOPS LIMITED
(IN ADMINISTRATIVE RECEIVERSHIP)
T/A TOMCAT DESIGN
AND TOMCAT ANIMATION

NOTICE IS HEREBY GIVEN pursuant to Section 48(2) of the Insolvency Act 1986, that a Meeting of Creditors of the above-named Company will be held at The Palace Hotel, 31 Great Cumberland Place, Marble Arch, London, on 11th March 1992 at 11.00 a.m. for the purposes mentioned in Sections 48 and 49 of the said Act.

A person is only entitled to vote at this meeting if:
a) details in writing of the debt claimed to be due from the Company have been given to us, not later than 12.00 noon on the business day next before the meeting, and
b) there has been lodged with us a proxy which is intended to be used at the meeting.

If you wish to participate in the meeting of creditors, would you please forward details of your claim against the company, and any proxy which you wish to be used on your behalf, to the offices of Latham Crossley & Davis, 45 Conduit Street, London W1R 9FB.
Dated this 19th February 1992
Peter S. Dunn FCA, Administrative Receiver

Registered in England & Wales
Company Number 333413
RICH'D. W. CARR & COMPANY LIMITED
Registered office and trading address: Plutto Works, Wadsley BridgeSheffield S6 1LL (Carrs Special Steels)
Other trading addresses: Steel Bright Road, Rabone Lane, Smethwick, Warley B66 2NW (Carrs Tool Steel Services). Blast Lane, Attercliffe, Sheffield (Rolling Mill). Wisewood Forge, Loxley Road, Sheffield (Parkin Precision Products).
NOTICE IS HEREBY GIVEN pursuant to Section 48 (2) of the Insolvency Act 1986, that a meeting of the unsecured creditors of the above-named company will be held at The Quaker Meeting House, St James Row, Sheffield on 6 March 1992 at 11.30am for the purpose of having laid before it a company of the report prepared by the administrative receivers under Section 48 of the said Act. The meeting may, if it thinks, fit, establish a committee to exercise the functions conferred on creditors' committees by or under the Act.
D J Stokes, Joint Administrative Receiver
19 February 1992

There is a limited amount of exhibition space available at the conference

FT
FINANCIAL TIMES CONFERENCES

WORLD PHARMACEUTICALS

London, 16 & 17 March 1992

The conference will focus on how pharmaceutical manufacturers are globalising their organisation and operations in response to the demands of a changing marketplace and will examine the new management skills required in the coming decade, as companies move from a corporately managed, R&D led organisation to a more market reactive structure.

Speakers include:

Mr Heini Lippuner
Chairman of the Executive Committee
CIBA-GEIGY Limited

Professor Dr Horst Meyer
Head of Pharma
Bayer AG

Dr Hans-Peter Sigg
Vice President of the Executive Board
Sandoz International Ltd

Dr Henry A McKinnell
Chief Financial Officer
Pfizer Inc

Mr William U Parfet
President
The Upjohn Co

Mr Hugh R Collum
Finance Director
SmithKline Beecham

Dr Håkan Mogren
President & CEO
AB Astra

Mr James N Wilson
President & COO
Syntex Corporation

Dr Armin M Kessler
Chief Operating Officer
F Hoffmann-La Roche Ltd

Mr Peter W Ladell
President
Marion Merrell Dow Europe AG

Dr Debby Jo Blank
Vice President
Strategy and Business Development
The Dupont Merck Pharmaceutical Company

Professor Trevor M Jones
Director Research, Development & Medical
The Wellcome Foundation Limited

Mr Jean-Jacques Bertrand
Executive Vice President
Rhône-Poulenc Rorer SA

A FINANCIAL TIMES CONFERENCE
in association with
Coopers & Lybrand and Pharmaceutical Business News

WORLD PHARMACEUTICALS
☐ Please send me conference details
☐ Please send me exhibition details

Financial Times Conference Organisation
126 Jermyn Street, London SW1Y 4UJ, UK
Tel: 071-925 2323. Tlx: 27347 FTCONF G. Fax: 071-925 2125

Name ______
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Company/Organisation ______
Address ______
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Post Code ______ Country ______
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Type of Business ______

FT FINANCIAL TIMES CONFERENCES

HA

FT CONFERENCES

THE EUROPEAN WATER INDUSTRY
London, 10 - 11 March
Speakers taking part include Mr David Trippier MP, Mr. Laurens Jan Brinkhorst, The Rt. Hon. The Lord Crickhowell PC, Mr. Ian Byatt, Mr. William Courtney CBE and Mr. Endre Almassy. Issues to be reviewed include the implications of continuing pressures to raise standards to the exacting levels demanded by the European Commission and its member states; developments in the economic regulation of the privatised UK water industry; comparison with regimes in other western countries.

WORLD PHARMACEUTICALS
London, 16 & 17 March
This annual conference, arranged jointly by the Financial Times and Coopers & Lybrand, will discuss how the pharmaceutical industry is responding to the challenge of an increasingly global market. Since first announcing the programme, Mr. Bernard Taylor, Chairman of Medeva has agreed to speak on building a company from scratch in a competitive environment.

INTERNATIONAL PACKAGING AND THE ENVIRONMENT
London, 23 & 24 March
The packaging industry throughout Europe is facing its biggest upheaval as the impact of environmental legislation begins to bite. What materials companies use and how their packages are manufactured, distributed and disposed of are becoming issues of pressing importance. There are concerns too that rigid legislation could threaten the free flow of goods, Speakers include Mr. Clemens Stroetmann, Mr. Rainer Grohe, Mr. Sverker Martin-Löf, Dr. Hans Rausing, Dr. Graham Gladden and Mr. Michael Samuel.

INTERNATIONAL SECURITIES MARKETS: LIMITING MARKET RISK
London 12 & 13 May
This high-level conference will focus on the multi-lateral attempts to limit market risk, and will provide a broad international perspective of market regulation, how the markets are developing and the management issues of assessing and controlling risk. Speakers include Martin Vile of the Securities and Investments Board, Jean Saint-Geors of the Commission des Operations de Bourse, Geoffrey Fitchew of the Commission of the European Communities, Pen Kent of the Bank of England, Dr. Tom Huertas of Citibank and Jonathan Davie of BZW Equities.

WORLD GOLD
Montreux, 22 & 23 June
The 1992 meeting will provide a unique forum for producers, traders, bankers and users to debate current market trends and review the outlook for gold in the 1990s. Expert speakers will debate central bank and investment attitudes to gold, review the short and medium term outlook for the gold price and analyse the challenges facing the mining industry.

All enquiries should be addressed to:
Financial Times Conference Organisation,
126 Jermyn Street,
London SW1Y 4UJ. Tel: 071-925 2323
(24-hour answering service), Telex: 27347 FTCONF G,
Fax: 071-925 2125

FT
FINANCIAL TIMES CONFERENCES

International Packaging and the Environment

London, 23 & 24 March 1992

Speakers will include:

Mr Clemens Stroetmann
Federal Ministry for the Environment, Nature Conservation and Nuclear Safety, Germany

Dr Hans Rausing
The Tetra Pak Alfa-Laval Group

Mr Sverker Martin-Löf
SCA

Mr Rainer Grohe
VIAG AG

Mr John D Bence
Stone Container Corporation

Professor Dieter H E Berndt
European Packaging Federation

Mr Bradford Gentry
Morrison & Foerster

Mr György Viszkei
Hungarian Association of Packaging and Materials Handling

Dr Graham Gladden
Lever Brothers Limited

Mr Gérard Pré
Nestec Ltd

Mr Michael Samuel
J Sainsbury plc

Dr-Ing Olaf Oelsen
Duales System Deutschland GmbH

For further information please return this advertisement together with your business card to the address below.

FT **Financial Times Conference Organisation**
126 Jermyn Street, London SW1Y 4UJ, UK
Alternatively,
Telephone: 071-925 2323
Fax 071-925 2125 Telex 27347 FTCONF G

HB

ARTS

English influences on Van Gogh

William Packer reviews the exhibition at the Barbican

In the July of 1890, at Auvers, a little to the north of Paris, Vincent van Gogh died at the age of 37, art's most poignant suicide. The circumstances of his death has been well rehearsed in the several splendid exhibitions that marked the centenary – most notably the full retrospectives of the drawings and paintings at Otterlo and Amsterdam. But they were concentrated upon the working life, that last extraordinary decade from 1880, when Vincent discovered his true vocation as an artist and began to draw in earnest.

The seeds of that vocation, however, had been sown several years before. The earnest young man in his twenties may have been uncertain in his ambitions, yet he had already found in art a vehicle for a volatile temperament that was a mixture of religious feeling and enthusiasm, a transcendental love of nature, and a missionary zeal. In this early period he was already drawing occasionally, and within these tentative beginnings the familiar insistent vision is already evident. But it was through looking at art, old masters and contemporary alike, that his feelings first began to resolve themselves.

What gives this preliminary phase its peculiar interest for us is that so important a part of it was passed in London, and that it should be the English painting and literature of the time that impressed him so profoundly. It is these English circumstances and context that the current exhibition at the Barbican Art Gallery addresses. *Van Gogh in England: portrait of the artist as a young man* (until May 4: sponsored by Akzo) is by no means exhaustive, but it gives us in detail, in letters and archive material, the successive shifts and developments in Vincent's early career, his responses to the places he visited, the experiences he had had and the things he had seen.

In May 1873, the 20-year-old Vincent started work at the London gallery of Goupil's, the picture dealers of Brussels and the Hague. Early in 1876 he turned to teaching, taking up a job at Ramsgate in April. In July he moved on to a school at Isleworth in Middlesex, run by a Congregational minister, the Rev Thomas Slade-Jones. Through that late summer and autumn his religious interests intensified and he began to speak and preach at various non-conformist churches in the neighbourhood – not altogether surprisingly, for he was the son of a pastor in the Dutch Reformed Church. It was to be the eventual failure of this vocation for the ministry that lead to his first breakdown, and so to his becoming an artist. At the end of 1876 he and his sister Anna, who had also been teaching in England, went home to Holland for Christmas. The family persuaded him not to return.

Against the backdrop of this human story, the attention of the exhibition rests upon Vincent's interest in the academic social realism current in England at the time, commanding the summer show at the Royal Academy each year and more widely disseminated in the popular illustrated magazines such as *The Graphic* and the *Illustrated London News*. The reproductions of the work of Herkomer, Holl and Fildes, and illustrators of Dickens such as Mahoney, he cut out and kept. The direct borrowings he are convincingly demonstrated: poses noticed in an anonymous *Graphic* illustration of 1874, of Russian sledge-drivers in a tea-house, serve some 11 years later for the principal figures of his great polemical composition, "The Potato Eaters". Luke Fildes' *Graphic* drawing of 1870, of Charles Dickens' chair left empty at his death, is clearly now the model for the two empty chairs of 1888: his own, and that which Gauguin had but lately left.


An example of the art admired by the young Van Gogh: 'Her Firstborn', 1876, by Frank Holl

If for too long it was the received wisdom to dismiss as marginal Vincent's interest even in the French symbolists, Millet and Puvis de Chavannes – or his compatriots of the Hague School, such as Jacob Maris, Josef Israels or his own cousin-by-marriage, Anton Mauve – by how much more of the same token does that English influence remain problematical.

Those Dutch and French influences have now been sanctioned by more recent study and critical revision, and their effect upon Vincent at least admitted; the English work, by contrast, is allowed the justification of its narrative and content only in the context of socio-political analysis. To admit as art what is routinely dismissed, as I read only last week in the matter of some of the Tate's rehung Victorians, as work of mind-numbing awfulness, is quite another matter.

Yet Vincent loved it, and continued to respond to it throughout his life. He greatly admired Millais, and only now are we beginning to accept that the later Millais was at least as fine and interesting a painter as the young pre-Raphaelite. He was also interested in the work of the French expatriate, James Tissot, so long discounted as a mere observer of elegant society. But von Herkome, Holl and Fildes, and even so minor a figure as James Boughton, he also accepted for what they were. We need not rate them over high to recognise the inherent value of a great artist's interest.

No artist works out of his time, indifferent to the attitudes and assumptions that inform it. He may challenge them, but to challenge them is to know and recognise them. Vincent never had any difficulty with the narrative and symbolic content of art, with the moral purpose that in the 20th century we have found so hard to accept. And if we begin to recognise that his own art throughout, every last bit of it, was instinct with such acceptance, so as much might be true of Gauguin, Pissarro, Lautrec – then Roger Fry's old exclusive heresy of significant form soon begins to fall away. It would be no bad thing were we able once more to look at narrative art for what it is, and accept it for the art it is.

Ten years old today

Antony Thorncroft looks at the Barbican on its anniversary

The Barbican arts centre celebrates its tenth anniversary today. Only ten years! The grey monolith, looming unexpectedly on the City landscape like some sinister battle cruiser, seems to have existed for ever. And, like a battle cruiser, it is taking ages for it to change direction, moving from loss to profit, from an object of derision to an old friend, from an artistic problem to an artistic joy.

It was the last manifestation of brutalist architecture, a decade or more behind the times when it opened. Its captains, Henry Wrong, who spent most of his working life on a building site, and, since 1990, Baroness O'Cathain, have struggled manfully to make it more loveable. Never can an arts centre have lived and died so much by its appearance rather than by the activities taking place inside. For once you have penetrated one of the 100 or more access points that the architects devised instead of a recognisable main entrance, the Barbican as a performance place – apart from a (much improved) dodgy acoustic in the concert hall – has mainly been a delight.

Of course the artists have played up. First the resident orchestra, the London Symphony, went on a wallet breaking learning curve to discover that its challenging seasons of Tippett and Webern and its repeated concerts in blocks of intense monthly playing, were not what the audience wanted. There was a nasty cash crisis seven years ago. Now the corner has been turned and the LSO is on a high, with record attendances of 85 per cent this season and with the Arts Council and the City happily throwing extra money at it to expand its size and widen its repertoire with new commissions.

Then the RSC went sulky, despite the fact that the main theatre and the experimental dungeon space, the Pit, were designed to the scenarios of its successive directors Peter Hall and Trevor Nunn. Once again poor programming produced a crippling deficit. Now the RSC has been placated, with more money and more affection. Its new management team gets on much better with Detta O'Cathain; the moans over backstage facilities have resulted in the current refit; and director Adrian Noble is so positive about the Barbican that he is for the first time premiering the big production of his 1992 season – Kenneth Branagh's *Hamlet* – at the Barbican rather than at Stratford.

Hamlet provides one of the first examples of what the Barbican was designed to promote but singularly failed to deliver – a comprehensive artistic experience – – musical, dramatic, and, in the gallery, artistic, to demonstrate the universal interweaving of the arts. The three residents have rarely co-operated on joint ventures. There are genuine problems – two or three year lead times in planning the music programme as against a year for the theatre, for example – but with a will more could have been achieved. But this autumn a Scandinavian Festival will put Sibelius alongside *Hamlet*, with the gallery exhibiting north European romantic paintings.

Perhaps the biggest change in the fortunes of the Barbican has been the rallying round of the City. At first it was critical (with some reason since its expenditure on the project had spiralled from £8m to £190m), but now it is proud to be the third largest benefactor of the arts in the UK after the Arts Council and the BBC. The City gives the Barbican £30m a year to cover its capital and maintenance costs and it is currently prepared to put in a little extra to help eliminate the £2m shortfall. This shortfall has proved stubbornly unmovable, thanks to the recession which has wiped £300,000 from the sponsorship target, cut bookings of conferences and exhibitions, created more dark nights, and reduced audiences, mainly for run-of-the-mill events although even the Messiah failed to sell out last Christmas.

How to fill the concert hall when the LSO, which promotes 85 performances there a year, is absent, remains the key problem for Detta O'Cathain. Her revenue comes mainly from catering, bars, and parking and her aim is to boost attendances from the current 73 per cent to 85 per cent, and no dark nights. To a great extent she relies on outside producers, like Raymond Gubbay, who on Wednesday puts on his 1000th show at the Barbican, to populate the place. But many of his competitors have withdrawn and the Barbican has been forced to increase its own promotions from under 20 to approaching 70 a year.

Like its rival on the South Bank it is trying to give form to its activities by creating themes and seasons. So a series by the Academy of St Martins, a light entertainment festival, and one devoted to operatic classics, are pencilled in. The City is investing more in such promotions, both to raise quality and to avoid nights when the Barbican feels forced to accept a bizarre booking from some egotistic eccentric. On the other hand Detta O'Cathain is "quite prepared to listen to our customers" and if a company wants a concert to entertain its staff or customers the Barbican will tailor one for you.

With the artistic programme at last coming together Detta O'Cathain can concentrate on the building. Soon a design company delivers its solution to the crucial problem of sign-posting, both to, and inside, the Barbican. The catering has already been improved. The retail spaces are to be franchised out and the car parks rationalised.

But the big event, scheduled for 1993, is the creation of an entrance to the Barbican. The architects expected everyone to arrive by car down a ramp underground. Lack of a natural focus has probably caused more people to arrive disgruntled than any other factor. Once again the City is digging into its pockets for £2m to pay for the entrance.

Even before the building is finally made habitable Detta O'Cathain is asserting her will. She is like a landlady trying to smarten up a property occupied by controlled tenants. She might warn the RSC that *Dr Jekyll and Mr Hyde* was an unseasonal Christmas show but she could not dissuade it from making the mistake. She has had better luck convincing Adrian Noble that *Two Gentlemen of Verona* should transfer to the main stage rather than descend to the Pit. Where she has power she wields it – the cinema has moved into the exhibition business, acquiring the British rights to Pavarotti's film of *Rigoletto*: it covered its cost at the Barbican and can now make a profit for five years. She hopes to take the Barbican art gallery, another tenant, under direct control. It is all proving slow progress but in another ten years the Barbican could be loved, rather than as now, just accepted.

Sallinen's 'Kullervo'

LOS ANGELES


Jorma Hynninen (left) in the title role with Jorma Silvasti as Kimmo

Kullervo is Aulis Sallinen's fourth opera. Since in their different ways his previous three – *The Horseman* (1974), *The Red Line* (1979), *The King Goes Forth to France* (Savonlinna 1984, Covent Garden 1987) – rank among the most striking additions to the medium in the postwar period, their successor was impatiently awaited.

It was written (between 1986 and 1988) to open the new Helsinki opera house. As, however, that momentous date in Finnish cultural history has been continually postponed by construction problems on site, the Finnish National Opera finally decided to give the first four *Kullervo* performances (from February 25) at the Dorothy Chandler Pavilion of the Los Angeles Music Center.

By chance, this was the first-ever operatic premiere at the Center. Production (by Kalle Holmberg), conductor (Ulf Söderblom, company principal), cast of 13 – led by the internationally renowned baritone Jorma Hynninen – and chorus were all Finnish National visitors. The excellent Los Angeles Chamber Orchestra was the only local element.

The miracle of the modern Finnish opera boom is a topic already more than once discussed on this page; the existence of this work and the quality of its first interpreters demonstrate that it continues undimmed. Opening night, altogether an exciting occasion, offered a superbly confident and disciplined ensemble performance, with absolutely none of the usual premiere problems. While hardly relieved in the brutality of its subject matter, *Kullervo* – in two acts, lasting nearly three hours, for large forces (including synthesiser) – is lit with counteracting flares of lyric tenderness and farcical irony, and grandly achieved: a modern operatic epic based on folk legend that proves to have alarming resonances for our own day.

The source of the libretto, which Sallinen wrote himself, is the *Kalevala*, the epic folk-poem which since first collection and publication (in 1835) has inspired countless Finnish writers, painters and composers, Sibelius at their head. Sallinen drew on Cantos 31-36, for general inspiration and also for choral passages of direct quotation; but he also took the play *Kullervo* by the 19th-century dramatist Aleksis Kivi as a model for his expansion and sometimes free treatment of the subject.

To judge from the English translation, the libretto is an inspired combination of dramatic directness and economy. Against a background of violence almost unabated, the figure of Kullervo – clan-leader's son become slave, murderer, unwitting incest-practiser, and finally warlord and arsonist – stands as focal point of the poem's, and the opera's, tragic pessimism.

The feud between his father Kalervo and uncle Unto, which frames his youth in hideous acts of destruction and which he settles at the end, forms the foundation on which the narrative structure rests; the main theme – the causal connection between a violent society and a violent individual – is elaborated in the succession of scenes and episodes. Love, of Kullervo's mother for her son, of Kullervo and his youthful friend Kimmo, tempers the bleakness but not the inevitability of the "forza del destino" which renders Kullervo something of a cross between Oedipus and Verdi's Alvaro.

In two long acts Sallinen concentrates with mature authority on telling the tale, not underlining the "relevance" of the message: he leaves that to emerge of its own accord, which it does with a baleful thrust. (The critic of the *Los Angeles Times* wondered what it all had to do with the host city; others alert to parallels with the city's gang-war epidemic saw the point without difficulty.)

Sallinen's idiom, variously indebted to Sibelius, Shostakovich, Prokofiev, Britten and Strauss yet entirely "personal" in its linguistic command, will once again disconcert the modernists. He makes simple devices work wonders across large spans of theatrical time – long-held pedal points, sequential repetitions, unison lines of voices and instruments, a constant dramatic punctuation with percussion, lyrical phrases almost absurdly effective in their shape and placement.

This opera is at root a theatrical ballad, using voices to carry the drama and instruments to provide the subcutaneous commentary – a conception of the medium perhaps old-fashioned (at least to some) but made potently modern, and tinglingly dramatic, by the accuracy and security of Sallinen's theatrical instincts. He appears to me to share with Poulenc, a composer otherwise so utterly different in approach, personality, and range, the ability to deploy "received" material in unexpected ways. A pseudo-catchy air for a Blind Singer at the start of Act 2 is the single possibly ill-judged episode; for the rest, the power accrues unremittingly.

Holmberg's production, in a mixture of modern and ancient dress set within a bleak grey concrete frame, steers clear of folkishness. At times the constant movement of characters on and off stage seemed quirky; on the whole the staging built up an explosive intensity, which was discharged most vigorously in the choral singing and in too many exactly focussed character-cameos to list here. Three outstanding principals deserve at least brief mention: the sappy, sweet-toned Kimmo of Jorma Silvasti, the achingly poignant Mother of Eeva-Liisa Saarinen and the great Hynninen (a singer regularly heard in every leading opera-theatre except Covent Garden – why?) as Kullervo.

This last strikes me as one of the supreme performances of recent years: embodied with lean, hard, deeply troubled stillness and sung in tones darkened since the days of *The Red Line* but still matchlessly full, free and beautiful. How marvellous it would be if a way could be found for Finnish National Opera to pay London a visit, their first for a decade, with the express purpose of showing off this important new work and its magnificent leading man.

Max Loppert

INTERNATIONAL ARTS GUIDE

TODAY'S EVENTS

AMSTERDAM

Muziektheater 20.15 Dutch National Ballet in three Balanchine choreographies, repeated tomorrow. Thurs: Mozart's Mitridate. Fri, Sat, Sun: Nederlands Dans Theater (6255 455/credit card bookings 6211 211)

BARCELONA

Palau de la Musica 21.00 Mstislav Rostropovich plays Bach cello suites. Fri, Sat, Sun: Garrick Ohlsson plays Beethoven with the Barcelona City Orchestra conducted by Garcia Navarro (268 1000)

BOLOGNA

Teatro Communale 18.00 Gianandrea Gavazzeni conducts Roberto Devereux, with Lucia Aliberti and Vincenzo La Scola (529999)

BONN

Oper 20.00 Julius Rudel conducts Graham Vick's production of La bohème, also Fri. Thurs and Sun: staged extracts from operetta favourites, with Barbara Daniels, Robert Gambill and others. Sat and next Wed: gala concert of opera arias, with soloists including Grace Bumbry, Margaret Price, Juan Pons and Gosta Winbergh (773667)

GENEVA

Théâtre de Carouge 20.15 World premiere of Sigmund, Monique Lachère's new play about Freud. Directed by Georges Wod, with Raoul Pastor in the title role. Daily except Mon till March 29 (434343)
Victoria Hall 20.30 Mariss Jansons conducts the Oslo Philharmonic Orchestra in Dvořák's Seventh Symphony and Stravinsky's The Rite of Spring. Repeated tomorrow in Lausanne (Klubhauskonzerte 01-277 2040). Thurs: Armin Jordan conducts a concert performance of Idomeneo (292511)

THE HAGUE

Danstheater 20.15 Nederlands Dans Theater in William Forsythe's Steptext and three choreographies by Ohad Naharin. Repeated tomorrow in the Hague and on Fri, Sat and Sun in Amsterdam (360 4930). Fri, Sat and Sun afternoon in Dr Anton Philipszaal: Janos Furst conducts the Residentie Orchestra in music by Lekeu, Poulenc and Bartók (360 9810)

HAMBURG

Staatsoper 19.30 Turandot with Galina Savova and Giorgio Lamberti. Tomorrow: mixed bill of ballets, including John Neumeier's Le Sacre. Thurs: Il trovatore. Fri: Idomeneo. Sat: Wolfgang Rihm's new opera The Conquest of Mexico. Sun: Tannhäuser (351721)

LEIPZIG

Tonight's concert at the Gewandhaus is a special Fasching programme of musical parodies played by the orchestra of the newly-reconstituted Middle German Radio. Tomorrow's concert by the Gewandhaus Orchestra under Kurt Masur marks the opening of the 1992 Leipzig Trade Fair and has an American theme: Gershwin's An American in Paris, Copland's Clarinet Concerto (soloist Sharon Kam) and Dvořák's New World Symphony (repeated on Thurs and Fri). The Leipzig Radio Philharmonic performs sacred music by Mozart and Rossini on Sun (71320). This week's programme at the Opera House consists of Le nozze di Figaro tomorrow and Sat, and Fiddler on the Roof on Fri and Sun (291036)

LONDON

Covent Garden 19.00 Barry Wordsworth conducts Johannes Schaaf's production of Don Giovanni, with Thomas Allen in the title role. Tomorrow: Les Contes d'Hoffmann (071-240 1066)
Coliseum 19.00 Ivor Bolton conducts Nicholas Hytner's production of Xerxes. Tomorrow: Il barbiere di Siviglia (071-836 3161)
Royal Festival Hall 19.30 Charles Dutoit conducts the Philharmonia Orchestra in Rossini's William Tell overture, Stravinsky's Violin Concerto (soloist Chantal Juillet) and Brahms' First Symphony. Tomorrow: London Mozart Players (071-928 8800)
Barbican 19.45 Barbican 10th birthday concert with Georg Solti, James Galway, Barbara Hendricks, Michael Tilson Thomas and the London Symphony Orchestra. Tomorrow: Josephine Barstow sings opera arias (071-638 8891)
Sadler's Wells 19.30 Momix: the surreal American dance group return with new work based on the music of Peter Gabriel. Daily except Sun and Mon till March 14 (071-278 8916)

MADRID

Tonight at the Teatro Alfil: flamenco evening with Mariana Cornejo y Marelu, with guitarist Pepe Habichuela (521 4296). This week's events at the Auditorio Nacional de Musica include a concert tonight by the Madrid Classical Orchestra, with music by Bernstein, Ginastera and Garrido. Thurs: Queen Sofia Chamber Orchestra plays Handel concerti grossi and Frank Martin's Polyptique. This week's Spanish National Orchestra concerts (Fri, Sat, Sun) are conducted by Walter Weller, and feature Wagner's Meistersinger overture, Bottesini's Gran Duo Concertante and Brahms' Fourth Symphony. Also on Fri and Sat, Charles Dutoit conducts the Philharmonia Orchestra of London (337 0100). Fri at the Sala Galileo Galilei: Canal Street Jazz Band (593 2200)

VIENNA

Ronacher 20.00 Mats Ek's Cullberg Ballet production of Swan Lake. Repeated tomorrow and Thurs. Fri, Sat, Sun and next Mon: National Ballet of Zaire (586 1676)
Musikverein 19.30 Eivind Aadland conducts the European Community Chamber Orchestra in music by Boccherini, Haydn and Mozart (505 8356)
Konzerthaus 19.30 Lieder recital by Werner Hollweg, accompanied by Midori Ortner (712 1211)

WASHINGTON

MUSIC
Washington Opera Final week of the season: Der fliegende Holländer (tonight, Fri and Sun) is conducted by Heinz Fricke, with James Johnson as the Dutchman. Cav and Pag (Sat) has Ermanno Mauro in the two tenor roles (416 7800)
Kennedy Center Concert Hall Christoph Eschenbach conducts the National Symphony Orchestra tonight, Thurs, Fri and Sat. Tonight's soloist is Tzimon Barto (467 4600)
THEATRE
Eisenhower Theater Solitary Confinement: Stacey Keach stars in the comedy thriller by Rupert Holmes. Runs till April 5 (467 4600)
Washington Stage Guild The Millionairess: G B Shaw's 1936 comedy. Runs till April 5 (529 2084)
Kreeger Theater The School for Wives: Molière's 17th century comedy, in a new translation by Neil Bartlett, updated to Washington in the 1960s. Runs till April 12 (488 3300)
Center Stage, Baltimore Pericles, Prince of Tyre: Shakespeare's romance directed by Irene Lewis. Runs till April 5 (410-685 3200)
JAZZ/CABARET
Blues Alley Jazz Supperclub Tonight's guest artists are the Ronnie Wells Quartet (jazz vocals). Tomorrow: Sedatrius Brown (blues vocals). Thurs: John Pizzarelli (guitar and vocals). Fri, Sat, Sun: Frank Morgan and George Cables (sax/piano). Next week: McCoy Tyner trio (1073 Wisconsin Ave, in the Alley, 337 4141)
Barns of Wolf Trap C J Chenier and the Red Hot Louisiana Band perform their zydeco music tonight, tomorrow and Thurs (703-938 2404)

ZURICH

Spirgarten 20.15 Sibylle and Miriam Tschopp play the three Bach violin concertos with the Zurich Chamber Orchestra conducted by Edmond de Stoutz (Zurich-Altstetten 252 1737)
Tonhalle 19.30 Andrew Davis conducts the Tonhalle Orchestra in Mozart's Piano Concerto No 24 (soloist Imogen Cooper) and Sibelius' Fifth Symphony, repeated tomorrow, Thurs and Fri. Tomorrow at 12.15: lunch concert with Davis and Cooper (201 1580). Sat: Brenton Langbein conducts the Collegium Musicum in a programme including Elgar's Introduction and Allegro for strings (261 1600)
Opernhaus 19.30 Ferdinand Leitner conducts August Everding's production of Eugene Onegin, with Gabriela Benackova, Francisco Araiza and Robert Holl, also Thurs and Sun. Tomorrow: Entführung. Fri: Le Grand Macabre. Sat: Don Giovanni (262 0909). Wed, Thurs, Fri, Sat at Rigiblick: Opera Factory in Kurt Weill's Johnny Johnson (221 1183)
Schauspielhaus 20.00 Arden of Faversham, Elizabethan thriller directed by Terry Hands, also Fri, Sun and next Mon (221 2283)
Theater am Neumarkt 20.00 Shakespeare's Romeo and Juliet, new production directed by Sylvia Richter. Runs daily except Sun and Mon till April 4 (221 2283)

European Cable and Satellite Business TV
(all times CET)
MONDAY TO FRIDAY
CNN
2000-2030, 2300-2330 World Business Today – a joint FT/CNN production with Grant Perry and Colin Chapman
Super Channel
0830-0900 (Mon) FT East Europe Report – weekly indepth analysis from FTTV
0830-0900 (Tues) Spiegel TV – Intl Report – the real world of documentary
2130-2200 (Tues) Media Europe – what's new in European media business
2130-2200 (Wed) FT Business Weekly – global business report with James Bellini
0830-0900 (Thurs) Media Europe
2130-2200 (Thurs) FT Eastern Europe Report
0830-0900 (Fri) FT Business Weekly
2130-22.00 (Fri) Spiegel TV – Intl Report
Sky News
0130-0200 (Mon), 2130-2200 (Thurs), 0530-0600 (Fri) FT Business Weekly
SATURDAY
CNN
0900-0930 World Business This Week - a joint FT/CNN production
1900-1930 World Business This Week
Super Channel
1930-2000 FT Eastern Europe Report
SUNDAY
CNN
1030-1100, 1800-1830 World Business This Week
Super Channel
1800-1830 FT Business Weekly
Sky News
1330-1400, 2030-2100 FT Business Weekly

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Glasnost, Saudi style

POLITICAL reform and Saudi Arabia are not words which normally trip off the tongue together. Oil revenues may have transformed the kingdom's economy over the past few decades with astonishing speed. But in political terms it surely remains one of the most conservative nations on earth, with a system of power that has scarcely changed since the state was established 60 years ago and a populace that seems disinclined to rock the boat.

Now at long last change of a modest and tentative variety is in the air. On Sunday, King Fahd, fifth ruler of the state founded by his father, Abdul-Aziz, issued three pieces of legislation that promise the first steps towards broadening participation in government, and codifying the kingdom's system of law. In particular, he promised the establishment of a Consultative Council, whose 60 members he will appoint within the next six months and which will be able to question government ministers.

The result will certainly not be democracy; nor is any real diminution likely in the absolute power exercised by the House of Saud. But the reforms, if implemented in the spirit which King Fahd appears to intend, may help make the exercise of that power seem less arbitrary, provide a platform for serious debate on the kingdom's future, and - perhaps - make the state's affairs seem a shade more transparent to outsiders. Evolution in any of these directions would be welcome - not least to foreign investors and traders, for whom the kingdom is among the most opaque and unpredictable places to do business.

Smooth succession

Just as important to Saudis and outsiders who prize stability in a country that contains a quarter of the world's known oil reserves, the king has probably helped to smooth the succession within the royal family by setting up what amounts to an electoral college of 500 younger princes.

Sunday's move was not exactly precipitate. Fahd has been promising to set up an advisory council since well before he became king in 1982; indeed, he has raised and then apparently shelved the idea so often that the more modern-minded of his subjects could be forgiven a certain scepticism about his current intentions.

Nevertheless, there are reasons to believe that the king is now in earnest. For one thing, he is not acting in isolation: among other Gulf states, Oman has established its own consultative assembly in the past year and Kuwait - which had a relatively well-established parliamentary tradition until its National Assembly was suspended in 1986 - plans to hold elections this autumn.

Greater openness

Demands for reform within the kingdom have been unmistakeable ever since the Saudis invited the US-led military coalition to defend their territory after Iraq invaded Kuwait. The presence of US troops emboldened the western-educated bourgeoisie of civil servants and businessmen to demand greater openness on the part of the government.

The ruling family, as ever, is engaged in a balancing act: its sensitivity to criticism from the religious right means it will only go so far to accommodate the modernisers. But in speaking out on Sunday in favour of citizens' personal freedoms, King Fahd showed a heartening willingness to take on the Islamic extremists who late last year were again causing disruption in Saudi streets and homes.

The test now, assuming the Consultative Council goes ahead, will be the list of members. They will have to represent the broadest range of opinions in the kingdom, from reactionary religious fundamentalist to western-educated technocrat, if the Council is to command credibility. Ideally, the Shia Moslem minority in the kingdom's eastern province would also have a voice.

What is clear is that a system which relies on individual petition as the basic means of communication between ruler and ruled is no longer adequate for Saudi Arabia's needs, and that Saudis will welcome the establishment of a more representative body. The king, for his part, will find that freer expression bolsters rather than threatens his throne.

Soft on soft commissions

THE ABOLITION of fixed commissions in London's Big Bang in 1986 was widely expected to put an end to much of the non-price competition that prevailed in the old stockbrokers' cartel. Yet research of mixed quality, for which no explicit price is charged, continues to pour out of securities firms in the City. And the practice of paying soft commissions, whereby broking firms receive an agreed amount of commission business from fund managers in exchange for dealing screens or other investment services, has multiplied to the point where it poses a serious regulatory challenge.

A recent survey by Greenwich Associates of 164 institutional investors revealed that the number of institutions doing soft commission business rose from 42 per cent to 52 per cent between 1989 and 1990. The London Stock Exchange estimates that soft commission business accounts for 13 per cent of total commissions. The exchange's chief executive, Mr Peter Rawlins, declared last week that he would be happier if brokers discontinued the practice without outside prompting.

This is unlikely to happen, because soft commissions are a marketing device with obvious attractions for the broking fraternity at a time of excess capacity. Brokers are, in effect, offering a discount to their fund management clients in the form of a benefit in kind. The attraction for the broking firm is that it acquires an agreed volume of business, in exchange for providing Reuters screens, research or performance measurement services for the client. The attraction for the fund manager is that the cost of these services falls automatically on the ultimate saver, to whose fund the commissions are charged, instead of resulting in a cash charge on his own budget.

First question

The first question for the regulators is whether the economics of soft commissions offer benefits to the saver. In any competitive business, discounts are normally passed on to the ultimate customer. The growth in soft commission business has not obviously led to this happening, despite the considerable competition between fund management firms. But nor is it clear that the brokers are making hay. Few London securities firms are earning an adequate return on their capital in an overstocked market. Those that engage in soft commissions argue that without them they would have to raise the explicit charge to fund trustees.

The second question concerns potential conflicts of interest. Here the problem arises because the broker is offering benefits in kind not to the saver, but to the fund management intermediary. The Securities and Investments Board (SIB) has already banned the offer of inducements which are have no direct investment benefit for the customer. The worry is that by locking themselves into soft commission deals with a specific broker, fund managers will not obtain best execution and may be tempted to churn portfolios to satisfy soft commission arrangements. The lack of transparency opens the door to cross-subsidies and inefficiencies in the system.

Classic weapon

The SIB's answer has been to adopt the classic weapon of disclosure. Fund managers now have to reveal the basis on which they deal to the trustees of the funds they handle. Some even advertise the fact that they do no soft commission business to win competitive advantage. And performance measurement provides a discipline of sorts over excessive transaction costs.

Yet soft commissions continue to proliferate; and this must partly reflect on the competence and motivation of trustees. Influential trustees such as company finance directors or local authority treasurers tend not to like explicit charges. Nor is it easy for them to police fund managers to ensure best execution. The suspicion remains that this is another City practice that offers greater benefit to intermediaries than savers.

The cost of an outright ban would be the loss of some specialist research firms. But the City's image, much tarnished of late, is not helped by such murky practices. The SIB should think again.

Maggie Urry and Daniel Green examine Wellcome's increasing presence in the international pharmaceuticals market

The appliance of commerce

What would Sir Henry Wellcome think? The company he founded in 1880 to make "compressed medicines" or tablets, has become one of the world's fastest-growing pharmaceuticals businesses.

Now, with the proposed sale by the medical charity, Wellcome Trust, of much of its controlling stake, the company will fully enter the commercial world. It will have to satisfy the more rigorous demands of institutional shareholders but will have greater management freedom to run its business.

Since 25 per cent of Wellcome's shares were floated on the stock market in 1986 it has become one of the largest public companies in the UK. The Trust, to which Sir Henry bequeathed the company, has seen the value of its shareholding grow to a point where it feels it must reduce its 73.6 per cent shareholding to diversify its investments.

At the time of the flotation Sir Alfred Sheppard, the chairman and chief executive who retired in 1990, insisted that the group was a commercial business, run to make profits. Since then the company has become a much stronger competitor in the world drugs industry.

As one industry observer put it: "The company had a pretty closeted past." Research scientists could enjoy working at Wellcome as though it were an academic institution. The company would pursue the scientifically fascinating rather than the commercially promising.

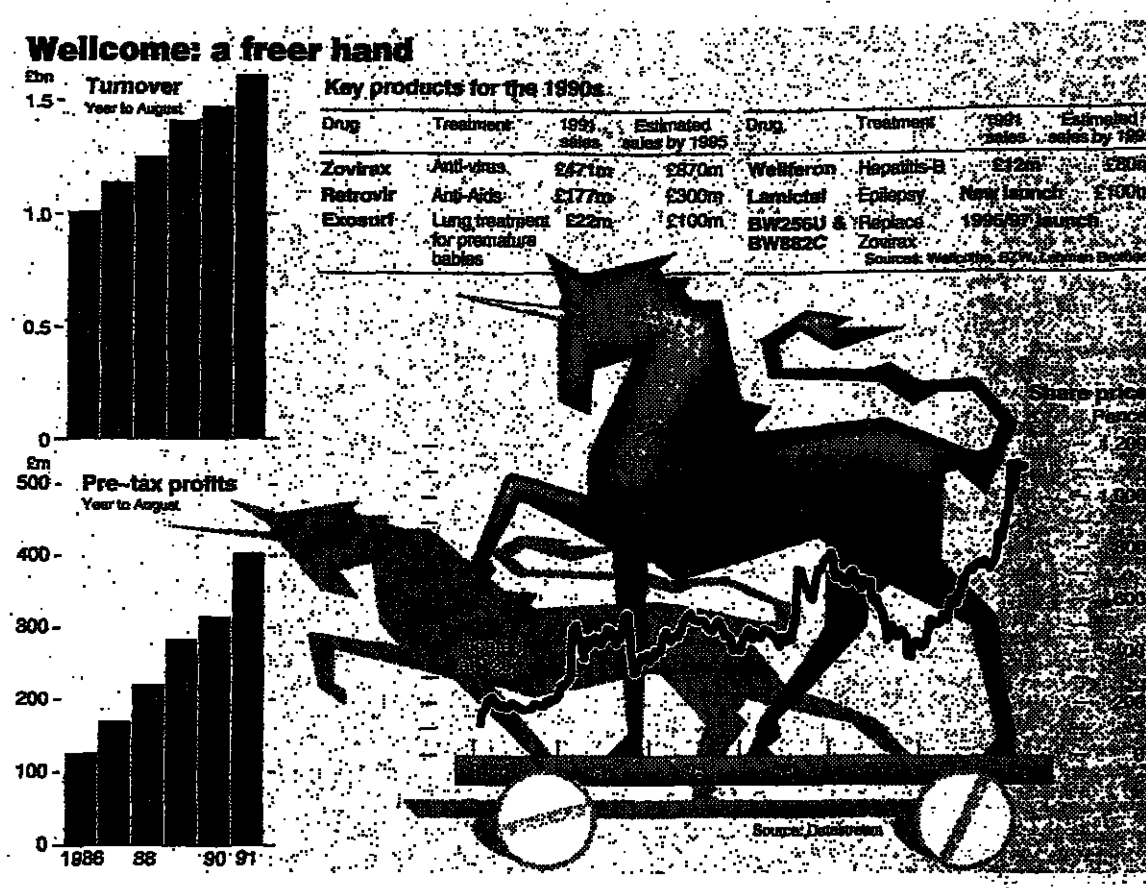
But that has all changed. Mr John Robb, chief executive of Wellcome, has been pursuing a restructuring programme aimed at sharpening the business and increasing profit margins. The strategy is nearing completion and he now supports the Trust's plans to sell a large part of its stake. Previously he had feared such a large sale would have been disruptive.

As part of this programme, several tough decisions have been taken. The group gave up work on TPA, a blood clot dissolving drug. That was hard, Mr Robb says, after more than £40m had been spent on it. But Wellcome realised it would be difficult to make a commercial success of the product.

Other measures have included the sale of peripheral activities where margins were low. These included businesses, such as vaccines, to which Wellcome had a strong sentimental attachment. There have been cuts in overheads, including about 10 per cent of the 400 jobs at its London head office. Wellcome has also made a much more determined effort to market its drugs.

As a result the company's fast profit growth, which had slowed in the 1989-90 financial year, has resumed. This year pre-tax profits are forecast to top £500m, a rise from £402.9m in 1990-91. And the balance sheet is strong, with net cash of about £200m at the end of August last year.

Wellcome: a freer hand



Key products for the 1990s

Drug	Treatment	1991 sales	Estimated sales by 1995
Zovirax	Anti-virus	£471m	£870m
Retrovir	Anti-Aids	£177m	£300m
Exosurf	Lung treatment for premature babies	£22m	£100m
Wellferon	Hepatitis-B	£12m	£80m
Lamictal	Epilepsy	New launch	£100m
BW256U & BW882C	Replace Zovirax	1995/97 launch	

Sources: Wellcome, BZW, Lehman Brothers

The story of Wellcome's stock market career has been dominated by Retrovir, its high-profile Aids drug. Launched in 1987, it is still the only widely used treatment for the condition. The company's share price has fallen and, more often, risen with the ebb and flow of news about Retrovir.

But there is more to the company's drugs profile. It has arguably the best record of any UK drug company for turning research and development into new products. It has accelerated the rate at which it launches new drugs, developing a product almost every year for the past decade.

Wellcome's strength in research and its dominance of the anti-viral market have been the basis of its growth. But the therapeutic power of its products had not been matched by its salesmanship.

Its best-selling drug, Zovirax, used to treat herpes, shingles and now chicken pox, was launched in 1981. Only now, as its patents are approaching the end of their lives, is it realising its full sales potential of about £500m a year. Since Mr Robb joined the company in March 1989 as deputy chief executive, co-marketing deals and higher prices for Zovirax have improved profit margins.

Both Retrovir and Zovirax faced the problem of being launched into a new market, although the publicity surrounding Aids has meant a greater public awareness of Retrovir. Its sales growth since its launch has outstripped that of Zovirax in the initial years. "Retrovir, too, was not as well marketed as it might have been," says Mr. Jonathan de Pass, an industry analyst at Barclays de Zoete Wedd.

The possibility that Wellcome is failing to maximise drugs sales and, therefore, profits is also reflected in the company's 25 per cent gross profit margin - lower than that of its competitors in the drugs business, ICI, Glaxo or Fisons.

Wellcome's newfound marketing priority is important, too, in its non-prescription drugs business. It is noted for its cough and cold remedies, Actifed and Sudafed, and for other over-the-counter (OTC) products that can be bought without a prescription, such as Calpol, a pain reliever for infants. Aggressive marketing is also preparing the ground for the sale of Zovirax as a treatment for cold sores, without a prescription.

Mr Robb denies that the business of selling low-technology OTC cures is out of place in a research-driven company. He says: "A significant position in OTC will become increasingly important as pressure on prices of prescription drugs increases." As margins are squeezed on prescription drugs Wellcome can turn to OTC drugs as a stable source of income.

While Glaxo, for example, disposed of its OTC drugs several years ago, Mr Robb sees OTC as a means of extending the profit-earning life of a drug.

When a prescription drug loses its patent, rivals can produce the same drug cheaply. But the hope is by turning a prescription drug into a branded consumer product premium prices can be maintained. Already Zovirax is being sold over the counter in New Zealand. SmithKline Beecham has a similar philosophy. It has earmarked its ulcer treatment, Tagamet, once the world's best-selling drug, for OTC sales to treat upset stomachs. Wellcome is seeking a partner to expand its international OTC business. It hopes to announce a deal this year.

Wellcome's need for marketing partners is not confined to OTC drugs. While it is strong in selling anti-viral drugs, its new products - essential for the group's profits growth - are in areas where it has little experience. These include epilepsy, muscle relaxants (for operations), hepatitis-B and, eventually, the potentially big market of migraine treatments. These new drugs will need to compensate for the eventual decline of Zovirax.

Investors considering whether to buy the shares released by the Trust will have to decide whether the promise of products in the pipeline will enable Wellcome to continue its strong stock market performance.

Fairy godmother for Cinderella projects

UK medical research looks set to be the chief beneficiary of yesterday's announcement by the Wellcome Trust that it is to reduce its holding of Wellcome shares and invest in a higher-yielding portfolio.

The Wellcome Trust will this year disburse more than £100m in grants to other bodies for biomedical research. By selling a further tranche of shares in Wellcome, the Trust should be able to double this amount. In the UK, its support for researchers is almost half the level provided by the government-funded Medical Research Council (MRC).

Created under the will of Sir Henry Wellcome (1853-1936), the Trust's aim is to advance knowledge in the biomedical sciences and the history of medicine "which may conduce to the improvement of the physical conditions of mankind".

The Wellcome Trust has had its share of success in headline-catching scientific projects:

- the first study in the UK into what turned out to be Aids. More recently, Wellcome Trust-funded researchers have been at the forefront of analysing how Aids avoids destruction by the body's immune system.
- new information on the causes of spongiform encephalopathy ("mad cow disease").
- results which explain how genetic make-up leads to asthma and related conditions running in families.
- techniques to assist the survival of premature babies.

The Trust has prided itself on funding "Cinderella" areas of research which find it hard to attract support from other sources. These have included mental health, skin disease, vision and tropical medicine.

Research on treatment for malaria is one example of the latter. As a disease which affects people in poorer countries, such research is often not a commercial proposition for the pharmaceuticals companies.

The Trust has also supported epidemiology - the study of the causes and distribution of diseases - normally a sideline for public health workers or hospital clinicians.

"By providing an opportunity to concentrate on epidemiology, the Wellcome Trust has changed the field," says Professor Michael Marmot of the London School of Hygiene and Tropical Health. "It filled a gap no one else was prepared to fill."

With a squeeze on government funds available through the MRC, charities like the Wellcome Trust, the Imperial Cancer Research Fund (ICRF) and the Cancer Research Campaign have come to play an increasingly important role in biomedical research in the UK.

Sir Walter Bodmer, director of the ICRF, says "the Trust has become a major force and the additional income will provide a tremendous boost to British research".

Some of the new income will be put into developing centres of excellence which can keep top researchers in the UK and attract back those who have gone abroad in search of better-funded facilities. Three are already in place in Glasgow, Cambridge and Imperial College, London.

Ms Bridget Ogilvie, the Trust's forthright Australian-born director, is also keen to offer a better career structure to good researchers, to provide a stable environment within which they can pursue creative research.

"We need full-time, or almost full-time, posts if we are to keep able people in UK scientific research."

Top 10 UK trusts

	Grants £m	Assets £m
Wellcome Trust	58.49	3,250.00
Tudor Trust	15.78	117.16
Gatsby Charitable Foundation	11.84	198.66
Leverhulme Trust	11.20	330.00
Royal Society	10.67	28.86
Wolfson Foundation	8.64	54.74
Henry Smith (Estates Charities)	7.49	100.00
Baring Foundation	7.25	38.64
Rank Foundation	7.19	107.49
Monument Trust	7.07	74.63

Source: Charities Aid Foundation

Above all, increasing funds are needed to keep up with the rising cost of medical research. With new techniques revolutionising medical research and practice, there is plenty for the Trust to spend the extra income on.

John Willman

OBSERVER

Civil servants' nuclear family

■ Is John Guinness, the permanent secretary at the department of energy, having second thoughts about his decision to throw in his civil service career? After all, if Labour forms the next government, his department will not be axed and the chairmanship of British Nuclear Fuels may not be such an attractive number despite the prospect of a doubling in salary.

Sir Christopher Harding, BNFL's 52-year-old chairman, was due to step down at the end of this month but is hanging on until his successor, the 56-year-old Guinness, arrives. If the Tories are re-elected, it is expected that the 900-strong energy department will merge seamlessly into the DTI, since Guinness has done such a good job overseeing the sale of most of the state energy sector except for coal.

The official line is that the softly spoken Guinness is staying on until the general election in order to provide some continuity. John Wakeham, the energy secretary, is leaving politics and his two parliamentary under-secretaries are relatively inexperienced.

If the Tories lose the election, and Labour's Frank Dobson breathes new life into the energy department, it would not be surprising if he wished to replace the architect of most major energy privatisations.

That said, there is a worry that BNFL is replacing a very commercial chairman and one with a prodigious appetite for public relations with an ex-civil servant whose only private sector experience was a brief stint as a trainee at Union Discount, 30 years ago, and whose pr skills are, to put it kindly, untested.

Since BNFL remains, like the rest of Britain's nuclear power industry, stuck in the public sector, it is even possible that Dobson will not want a man like Guinness running Sellafield.

Guinness's nightmare must be that he somehow gets caught between chairs when the music stops after a Labour election victory. He is, however, too shrewd a political operator not to have spotted that one.

What crisis?

■ Britain has agreed to represent Russia in its application for membership of the International Monetary Fund - presumably on the grounds that it knows all about government-induced economic crises...

Gardener arose

■ When David Welch, the new boss of the Royal Parks department, was Aberdeen's director of leisure and recreation, he was such a dab hand at rose-growing that the British Tourist Authority had to exclude Aberdeen from its Britain in Bloom competition every three years so that somewhere else could win.

The Royal parks are not likely to be as generous as Aberdeen in the provision of roses - Welch's workers transformed the sides, central reservation and roundabouts of the city's inner ring road into rosebeds, doggedly replanting as local people borrowed the plants for their own use. Demand from Aberdonian gardeners eventually reached saturation point, and Aberdeen's rose bushes are now flourishing uninterruptedly.

Welch is remembered as energetic and innovative in overhauling the old city parks department - and was adept at exploiting job creation programmes to turn eyesores into flowerbeds. When the city's winter gardens appeared in the UK's top 10 visitor attractions, Aberdonians suggested that David Welch

had hired a team of YTS trainees to spend a year walking through the turnstiles. Sounds like Environment Secretary Michael Heseltine has picked a man after his own heart.

Indigestion

■ The wave of austerity sweeping through the French economy has hit even that bastion of sybaritism and self-indulgence, the Michelin guide to France.

Usually, the Michelin judges bring themselves to bestow their coveted three stars on at least one new restaurant each year. In 1990 two restaurants were selected, but last year it was down to one. Now, in the 1992 gastronomy bible, not only are there no new nominations, but 56 establishments have been demoted.

The inspectors have, however, not been entirely parsimonious; six restaurants have been deemed worthy of two stars. These include La Pyramide at Vienne in Isère, where Patrick Henriroux is following in the footsteps of Fernard Point, one of the great French chefs, and L'Oasis at La Napoule in the Alpes-Maritime, which made its name under one of Point's protegés, and has now won its two stars thanks to Stéphane Raimbault.

Visiting gourmets may, however, rest assured that the 19 three-star restaurants have clung on to their stars. They may also be fairly confident that a meal partaken at any of them will cost an arm and a leg.

Late developers

■ If one judges merchant banking boutiques by the glitter of the names, one would find it hard to beat the newly formed J Rothschild, Wolfensohn & Co. Paul Volcker, the former chairman of the US Federal Reserve, will be chairman, and Lord Rothschild, Jim Wolfensohn and Sir Mark Weinberg will be on the board. All it needs is Sir Jimmy Goldsmith's name on the letterhead and it would be hard to better the boardroom connections.

That said, the Transatlantic combination is slightly odd. What have Lord Rothschild, 55, and Jim Wolfensohn, 58, got in common? Although both men are regarded by some as establishment figures, they are also outsiders.

Australian-born Wolfensohn made his mark in the US after he missed out on the top job at Schroders. Lord Rothschild is remembered for his takeover tilt at BAT Industries rather than his impressive merchant banking career. Wolfensohn has acted purely as an adviser, unhindered by conflicts of interest, whereas Lord Rothschild has often acted as a principal in transactions. Interesting to see whether the proposed combination lives up to its early promise, given the inbuilt tensions.

Logical

■ Sign outside a wayside café in one of the remoter parts of New Zealand:

"Eat here, or we may both starve."

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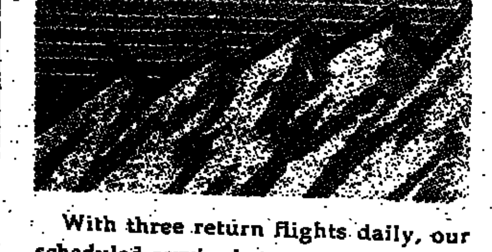

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DAN-AIR

All the ingredients for a long shelf life

Can Wal-Mart, America's discount retail group, sustain its explosive growth, asks Nikki Tait

At 8.30 on a cold winter's morning in Dover, Delaware, employees of a new 114,000 sq ft Wal-Mart store are whooping and hollering. "Give me a W," shouts a store manager, leading the pre-opening ceremony. "W," yells the throng of shop assistants. "Give me an A." ... and so on.

Outside, the locals press against the glass and debate what effect the arrival of America's most successful discount retailer will have on their town. "Tough on Ames," mutters one lady, referring to a rival general merchandise retailer which has already filed for bankruptcy. Sure enough, 100 yards down the road, Ames has sparsely stocked shelves and only four customers.

Already an aggressive store expansion programme has taken Wal-Mart's sales from $2.44bn in 1982 to almost $44bn last year – making it the world's largest retailer in turnover terms. Last week it reported a 24.6 per cent increase in profits in 1991 over 1990, to $1.6bn. Now Wal-Mart, which sells general goods from detergents to golf clubs, is muscling into food retailing and experimenting with own-label. It is also engaging in a row with trade representatives; and offering suppliers a direct computer link to individual stores to cut lead supply times.

In so doing, the group is starting to lay down rules for the retail sector in a way that no US chain has done before. "Wal-Mart is the biggest single influence in US retailing," says Ms Dorothy Lakner, an analyst with Oppenheimer, the US financial services group.

Perhaps not just in the US. Retailing does not cross national boundaries easily, but ideas do get swapped. The international spread of discount (or "value") shopping, for example, is evident in the arrival of Germany's Aldi group and the Danish Netto chain in the UK.

Wal-Mart's position today is all the more impressive when put in perspective. In 1950, Mr Sam Walton, a former trainee with the J C Penney retail group, lost the lease on a Ben Franklin-franchised variety store in Newport, Arkansas. After complex negotiating, he secured a new property in the tiny northern Arkansas town of Bentonville. Here, he opened the first Walton's 5 & 10, a small general goods store.

Forty years later, Bentonville is still the headquarters for more than 1,700 Wal-Mart stores, about 208 Sam's Warehouse Clubs and four hypermarkets. These are served by 20 distribution centres, employ 365,000 people, and capital expenditure runs at more than $2bn a year. Mr Walton, now 73, and his four children ranked third last year in Fortune's list of the 500 richest Americans.

For years, observers have tried to define the ingredients of this success. Their answers usually mention Wal-Mart's traditional small-town base – where land costs are low, and shrinkage (or "lost" stocks) and other operational problems are more manageable.

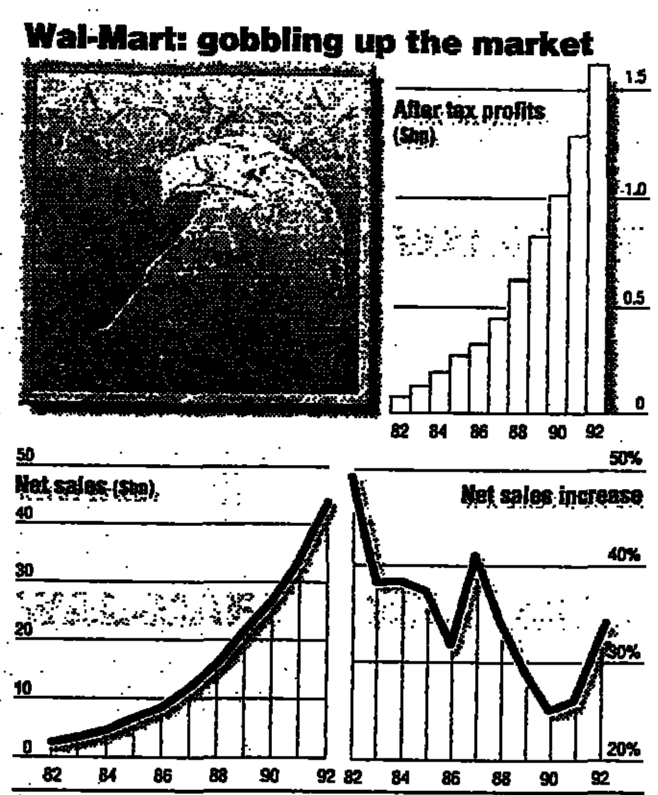
Then there is the meticulous attention to cost, and the fact that prices are, indeed, kept very low. (In Dover, a quart of bleach costs 89 cents in Wal-Mart and $1.14 at Ames.) This is partly because Wal-Mart's staff is non-unionised, and 40 per cent work part-time, saving the company insurance and holiday expenses. Executives also occupy shoe box offices.

Success is also attributed to the company's willingness to innovate or, at least, to poach successful ideas. Warehouse clubs are a good example. These barns sell a limited range of goods at wholesale prices to "membership" customers, and were developed by a Californian retailer in the mid-1970s. Wal-Mart latched on to the notion within a decade, well before most competitors.

Not all schemes work so well. Wal-Mart borrowed the hypermarket concept from Europe, and built four – all at least 220,000 square feet. Now it says they are too large to manage efficiently, and will not add more.

But whatever the key to Wal-Mart's past success, the question is whether the group can sustain its explosive growth, as competition grows from the likes of Dayton Hudson's Target chain and Kmart.

The first expansion route is geographical. Wal-Mart is concentrated in the south and mid-west, and has only recently started to tackle the north-east, west and Mexico. "There's so much opportunity out there," says Mr David Glass, Wal-Mart's chief executive. "We have gone from $32.6bn in sales in 1990-91 to almost $44bn last year, and I can envisage us layering on $10bn-$12bn this."



One potential problem with this strategy is that it may raise costs. "If they want to go after the New York, Los Angeles or Chicago markets, it's a different ball-game," says Mr Tony O'Reilly, chairman of Heinz, a Wal-Mart supplier. "Real estate becomes expensive and there are all sorts of union problems."

Used to such concerns, Mr Glass shakes his head, pointing out that Wal-Mart already has stores around Houston, Dallas, and even in Chicago's suburbs.

As well as new sites, however, Wal-Mart's long-term plans depend on new product areas – notably food retailing. Sam's Clubs have already taken the Wal-Mart group into bulk food items in a big way. But now the company is experimenting with "supercentres", which combine supermarket facilities with general merchandise. It plans to double the number to about 20 this year.

Manufacturers, meanwhile, may have shuddered at Wal-Mart's experiments in selling colas, cookies and snacks under the Sam's Choice name. In general, US shoppers view own-label products as cheap but inferior – giving brand manufacturers considerable clout. But Sam Walton is a household name, and Sam's Choice may convey more sense of quality.

Wal-Mart itself is ambivalent about the potential. "[The targeted own-label segments] are generally difficult products to merchandise," says Mr Glass. "You buy soft drinks regionally, you buy them at all kinds of prices. Other categories are simply those where there has been a big increase in brand prices, and you're getting consumer resistance."

So is Wal-Mart saying that when suppliers fail to meet its requirements, it will crack the whip by introducing competing own-label products? "Oh no;" Wal-Mart's chief executive looks pained. "We wouldn't do that – we believe we are partners with our suppliers."

But underlying such expansion tactics is a more fundamental question. How far can any retailer grow before operations become unmanageable and standards slip?

It is a conundrum to which no one has an answer. Wal-Mart has surpassed K mart and Sears Roebuck, which seemed to stall when their merchandise sales reached some $30bn during the 1980s. Asked about estimates that Wal-Mart could see annual sales of $100bn this century, Mr Glass says this is "do-able". "But that's a pretty ambitious plan," he adds quickly, "because no retailer has ever done $100bn before, and I'm not sure that any of us know what you'd have to do to be able to achieve it."

Retail analysts suggest that part of the answer may lie in technology, and Wal-Mart seems to agree. It makes much of the "retail link" scheme, which plugs suppliers into point-of-sale data in individual stores. Although only a fifth of its 5,000 vendors have been persuaded to invest so far, overall average lead times are said to have fallen from double figures a year ago, to nine days.

The retailer also suggests that increased efficiency is the reason for a recent move to eliminate manufacturers' representatives, the traditional middlemen, from negotiations with suppliers. "If you have a manufacturer and you do $50m with him one year, and say you'll probably do $100m next ... many of them have trouble relating to that," says Mr Glass. "Where you have a third party involved it becomes particularly difficult."

The representatives, for their part, protest that they are essential to small manufacturers, and have tried to take the matter to the Federal Trade Commission, the US competition watchdog. They also hint that Wal-Mart's real aim is better terms from manufacturers.

Whatever the merits of the argument, most observers suspect that the discount chain will win – at least, where larger suppliers are concerned. Already, Procter & Gamble, probably Wal-Mart's largest supplier, is reported to have a team living in Bentonville.

And if anyone doubts the seriousness of Wal-Mart's ambitions, they should visit its computer room. "I don't think many people know this exists," confesses one employee, opening the door on a room the size of a football pitch. Bentonville may just have seen the future.

Joe Rogaly

Texts for the Tories

The Tories badly need a text. When Mrs Margaret Thatcher was leader, voters knew what she stood for. They made a choice. At the general elections of 1979, 1983 and 1987 her party attracted 42-44 per cent of the vote, enough to give her three smashing victories. Nobody is clear about where Mr John Major stands, which is one reason why the Conservatives have recently been unable to approach the 41-43 per cent required if they are to have a hope of winning a working majority.

Poor Mr Major. When he took over, most people wanted a complete break with Thatcherism, while most of his party workers sought continuity. He replaced the poll tax and re-aligned Britain's stance within the European Community. He developed the Citizen's Charter, a sensible set of rules for improving relations between producers and consumers of public services. In desperation, and too late, he has become a proponent of a large budget deficit in times of recession. For the rest, he has been obliged to offer warmed-over Thatcherism.

Leave aside the merits of the above decisions. The Conservatives' problem is that, taken as a whole, they do not appear to have a mission. It will take all the power of Mr Chris Patten's magic pen to produce an election manifesto that does not resemble a mish-mash of familiar slogans about choice and responsibility, laced with a few one-off wheezes that have managed to pass the Treasury.

Mr Patten may draw inspiration from a forthcoming book, Modern Conservatism, by David Willetts (Penguin, £5.99). Mr Willetts, a former private secretary to Mr Nigel Lawson, served in Mrs Thatcher's policy unit before becoming director of studies at the Centre for Policy Studies. His questioning of the welfare state (notably on family policy) once sounded extreme, but in recent years, perhaps since deciding to stand for parliament, he has moved towards the Conservative mainstream.

Did I say mainstream? Has there been any such thing since 1979? Hold on. The explanation is coming. The modern Conservatism of Mr Willetts' title has, in his view, *been* the mainstream since the end of the Second World War. It combines a commitment to freedom, and free markets, with an acceptance of "large parts of the welfare state, but on sound conservative grounds".

To what will be the astonishment of those who think otherwise of Mrs Thatcher and her brains' trust, he quotes the One Nation group of Tory MPs – "one of the most significant movements of the 20th-century parliamentary Conservative party, and one of the most misunderstood".

The founders of the group "were actually much less interventionist than the inter-war generation of Conservatives". In 1950, One Nation, the group's first publication, argued for liberalising planning control and deregulating the construction industry. The group's 1954 pamphlet on economic policy, whose authors included Enoch Powell and Angus Maude, favoured a return to "a more competitive system".

Mr Willets seeks to reconcile free markets with the sense of community

The "One Nation" concept thus rehabilitated, Mr Willetts offers no balm to wets, who "believe in a bigger role for government and looser financial policies", as against his preferred drys, who "believe in less government intervention but within the framework of a sound financial policy". (What will he call Mr Major after the Budget? Wet behind the ears?) The erratic forces in post-war Tory history were those supreme wets, Harold Macmillan and, following his U-turns, Edward Heath. Mrs Thatcher turns out to be a traditional Conservative, One Nation thinking included. What makes her different is her character, reflected in her energy, her ability to illustrate by practical example and her decisions on which issues to fight.

Mr Willets seeks to reconcile free markets, "which deliver freedom and prosperity" with a recognition of the importance of community, "which sustains our values". He rejects the economic liberal, or "rigorous free-marketeer", who "sees life as a giant supermarket". Conservatives are bound by loyal ties to historic communities, and an understanding of the rule of law. They do not accept markets and the price mechanism everywhere. "You cannot sell your children. You cannot sell your vote ..."

Other values prevail. "A shared cultural tradition, limited government, the free market, the welfare state and loyalty to the central institutions of the nation-state, are the integrating forces in which a Conservative trusts." These are not left-wing values; in particular, he warns that "there are perfectly good Conservative arguments for publicly financed education, health care and a social security system which have nothing to do with equality".

Mr Major's ministers are wrestling with just such arguments right now. Mr Willetts' book is therefore an important text. It could bridge the gap between pre-and post-Thatcher conservatism. What it does not do is explain – to my satisfaction at least – how contemporary Tories reconcile their beliefs in freedom and community with their rejection of Scotland's aspirations for home rule, their destruction of local government (which Mr Willetts seems to deplore), and their blind refusal to link constitutional reform with the protection of the individual and the community from an over-mighty executive. Perhaps the reason is that the Tories expect to *be* the executive most of the time.

Co-incidentally, the One Nation group has just produced a pamphlet, One Nation 2000, which aims "to create a Britain in which the growing prosperity of the fortunate is reflected in the better welfare of the disadvantaged ..." It argues for policies that go beyond "giving most weight to the individual as the key element in society". Something more is needed, it says, "on which to build the policies of the 1990s". Now *there's* a text for Mr Patten.

LETTERS

Shareholders are owners

From Dr Maurice Gillibrand.

Sir, Through your columns may I urge shareholders to reject the views of Sir Owen Green, reported in the Financial Times, that shareholders should not be considered as owners of the business ("BTR chief defends corporate leadership", February 27). This seems to be nothing more than yet another plea to leave management unfettered in the conduct of the business. With the memory of the unrestrained action of directors in Guinness, Polly Peck and Maxwell Communications still fresh, I would hope that shareholders will unreservedly reject such ideas.

Interestingly, Sir Owen's views may not indeed be in the interests of management. Checks and balances on executive action are an essential feature of any successful organisation and in their absence executive power eventually exceeds acceptable limits. The consequences are either a demand for greater regulation or that resort has to be made to the law to resolve an issue.

The alternative to statutory regulation is an improved relationship between management and shareholders. This can only be achieved within the reality that the shareholders, having provided the capital, are thereby in effect the owners of the business.

Maurice Gillibrand,
7 Tal-y-Cae,
Tregarth,
Bangor,
Gwynedd

Fax service

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Britannia Park juror: a complicated case, but not beyond comprehension

From Mr Richard Elms.

Sir, It was with interest that I read the letter from Mrs Edna Wijeratna (Letters, March 2) regarding the role of juries in long or complicated fraud trials. As some of your readers may be aware, the UK's longest fraud trial to date, the Britannia Park case, finished in Nottingham recently.

I had the (perhaps dubious) honour of sitting on the jury in that trial and feel that I too must now put pen to paper on the issue of trial by jury in this type of case.

It was said in an interview on Central Television that, according to the expert concerned, there was no way that our jury (which included local businessmen, and those with some financial knowledge) could have understood all the pertinent facts in the case.

This most certainly was not so. We had the benefit of a judge who normally sits in commercial cases and he, together with the prosecution and indeed the defence counsels, made certain that the import of all the financial evidence was made abundantly clear for all of us.

We were at times frustrated by the slow progress made on occasion due to points which, while no doubt vital at the time to prosecution or defence, were argued in great detail only to fall by the wayside later on in the proceedings.

Surely the point is that our system of justice is based upon trial by one's peers with the decisions based upon those peers' interpretation of what constitutes proper and decent behaviour and or representation?

The legal profession does indeed seem to have a distorted notion as to the ability of people "lesser" than they to comprehend complicated concepts. Surely it can be seen that parallels can sometimes be used to illustrate particularly difficult points in order to retain comprehension?

At the end of the day what matters is, surely, that the correct verdict is reached. I am sure that the qualification of "beyond reasonable doubt" is always met and, of course, allows a benefit to the accused which is central to our legal system.

Richard Elms,
11 Ascott Gardens,
West Bridgford,
Nottingham NG2 7TH

BR better than the pre-war 'golden age' of trains

From Mr Gordon Hafter.

Sir, What an excellent article in the Weekend FT ("The golden age of rail that never was", February 29) by Richard Tomkins. One fears, however, that it will have no effect on those Tories whose minds are already made up, and convinced that privatisation will provide all the cures that are needed.

However, Mr Tomkins might have made his story even more telling had he said something about the strides that have been made since 1948, not because of nationalisation, but because of the immensely higher level of technical and engineering skill that is now available to all transport undertakings.

Three hours fifty-nine minutes to Edinburgh from London (often in practice barely three hours fifty-five for the two best trains each way, and four and a half for most of the rest), a train every hour for most of the day compared with three day trains and two or three night trains except for the high season before the war, all in air-conditioned comfort and considerable silence, make current rail travel a world better than the noisy and draughty trains I travelled in as a child.

Unless specially prepared for a speed stunt, those trains would have rattled themselves to bits if asked to travel at 125mph on daily rosters exceeding 1,000 miles. It is fairly easy to keep a train clean if it does one return trip from London to Dover in a day – for example, The Golden Arrow (160 miles).

Would anyone in the "golden age" have considered commuting from Bath, Peterborough or Derby to London and being at their desk by 8.30? They can and do now, which is why so many have ample opportunity to chronicle BR's shortcomings.

Few other businesses have to manage their affairs in the public eye to the extent that transport does.

Gordon Hafter,
15 Millside Place,
Isleworth,
Middlesex,
TW7 6BU

Why the banks may live to regret their approach to customers

From Mr Derek Dobson.

Sir, I note with interest Barclays Bank chairman Sir John Quinton's comment ("Barclays falls 30% to £533m", February 27) that individual managers might be wary of lending, even to sound customers. As an accountant dealing with individuals on a daily basis, I am continually being bombarded with criticisms of the way banks treat their customers – astronomic and sometimes incorrect charges, refusal to entertain even small loan requests, excessive interest rates, and so on.

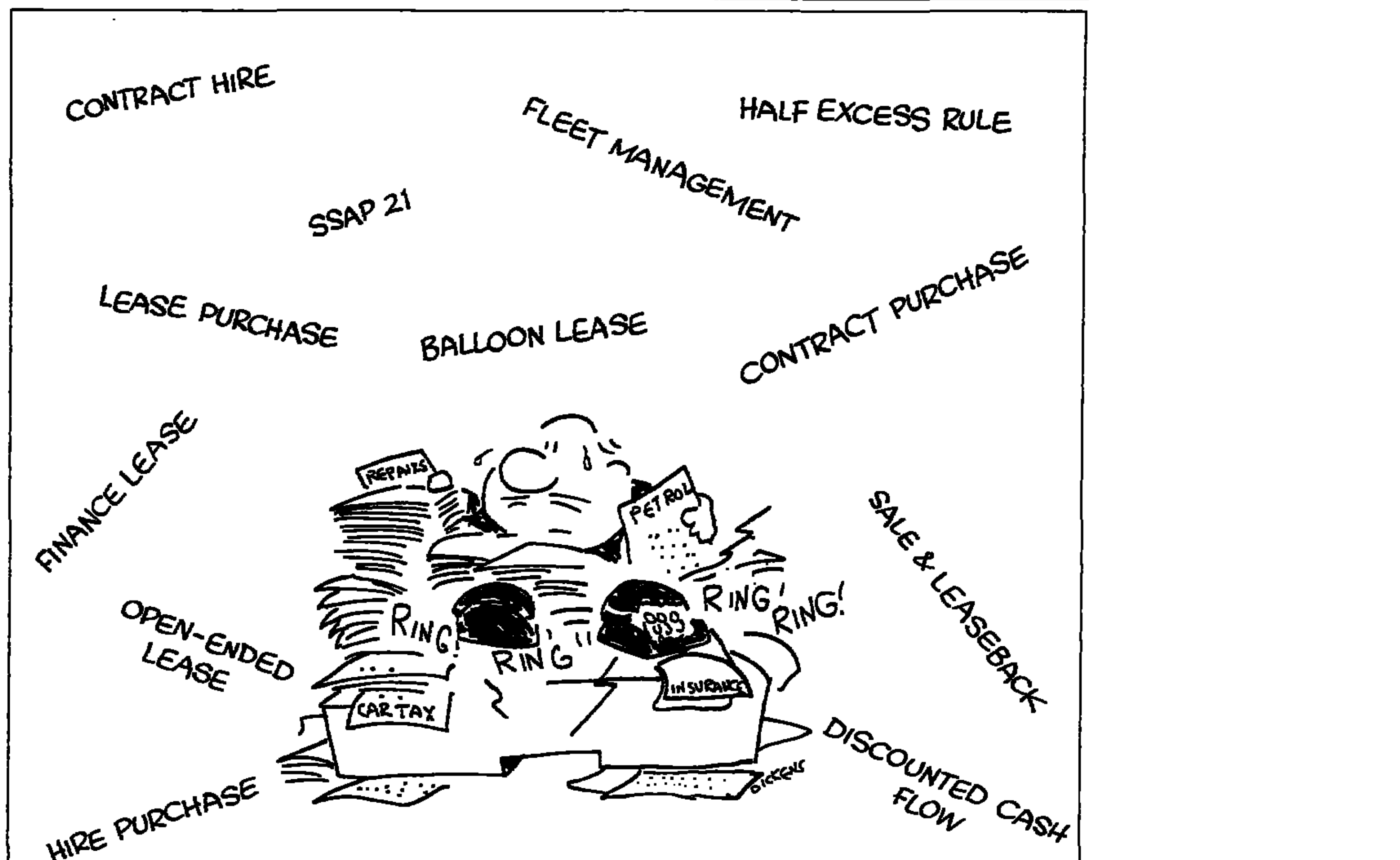
One would think that banks, by their very nature, would have a more business-like and sensible view of the way in which they treat their customers. Are they so blind that they cannot see the tremendous outflow of goodwill that is taking place? It is at times like this that most people are in need of help and understanding from their bank; instead, all they are getting is an unsympathetic attitude and a sad deterioration in the standard of service.

My heart does, however, go out to the general staff who are caught in the cross-fire of senior management instructions and customers' complaints. No wonder their morale is at an all-time low.

I am not suggesting that the banks should lend without careful consideration of the facts involved, but reasonable charges combined with a more understanding and considerate approach would go a long way to retaining the goodwill of their customers. It also hardly seems fair that the man in the street should pay for the enormous bad debts incurred in recent years through poor decisions made by the banks.

The banks could well regret their current approach to a problem which affects us all. Many will not forget that when they looked for help at a time when it was needed were simply told: "Sorry, can't help. Have you tried the building society down the road?" Perhaps they will.

Derek Dobson,
173 Widmore Road,
Bromley,
Kent.



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FINANCIAL TIMES
Tuesday March 3 1992

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Jet buyers forced to turn to markets

Boeing forecasts reluctance among Japanese financial institutions, writes **Paul Betts**

AIRLINES will have to turn to international capital markets in the face of a growing reluctance from Japanese financial institutions to pay for the $857bn worth of new aircraft they will require over the next 20 years.

This structural change in the financing of commercial aircraft is highlighted in Boeing's annual review of the world aircraft market to be published today.

More innovative financing will be required to fund airline jet requirements especially since Boeing expects to see the contribution of Japanese banks, trading companies and equity investors in aircraft leases drop from between 55 and 65 per cent of total commercial aircraft financing in recent years to only 8-12 per cent over the next few years.

The willingness of Japanese institutions to invest in aircraft has been badly damaged by the fall in Japanese share and property values.

Boeing, the world's largest manufacturer of commercial airliners, remains confident of the longer-term outlook for the industry with a recovery in world air travel requiring airlines to take delivery of 11,678 new aircraft between now and 2010.

But financing the future aircraft requirements of airlines has become a severe problem for the aviation industry. Boeing says the industry is beset with three kinds of financial difficulties – "monumental" losses or bankruptcy; the declining value of used aircraft; and a general credit crunch.

The Seattle-based manufacturer expects the international capital market, whose aircraft financing contribution was "insignificant" in recent years, to play an increasingly important role in aircraft financing accounting for 25-35 per cent of total funding requirements.

Another new source of financing to replace Japanese sources is expected to come from equity issues. These have also been "insignificant" but are now likely to account for 8-12 per cent of total commercial jet financing requirements, according to Boeing.

US banks will probably drop out entirely from this market, while European banks are expected to expand their share from 10-20 per cent to 15-25 per cent. Manufacturers are also expected to become more important financing sources with their share of the market increasing from 4-6 per cent to 5-9 per cent.

Boeing expects financing conditions to improve with the recovery of airline profits. Its latest market outlook forecasts world airline revenues growing from $200bn in 1990 to $480bn in the year 2000. In a more private market-orientated industry, airline profitability is expected to recover with 4-6 per cent operating profit margins. A return to a 5 per cent operating profit margin for the industry in 1995 would be the equivalent of total profits of $15bn.

Although Boeing continues to be optimistic about the industry's long-term prospects, the shorter-term outlook for aircraft manufacturers remains bleak.

On the whole manufacturers, including Boeing, are scaling back production as international airlines defer or, in some cases, cancel orders altogether.

New jet airliner orders fell to $32bn last year from $71bn in 1990 and a record $90bn in 1989. Boeing's share last year was $20bn, 63 per cent of all orders. The industry in general does not see any improvement in new order activity this year, with some analysts expecting no real recovery before 1994 or even 1995.

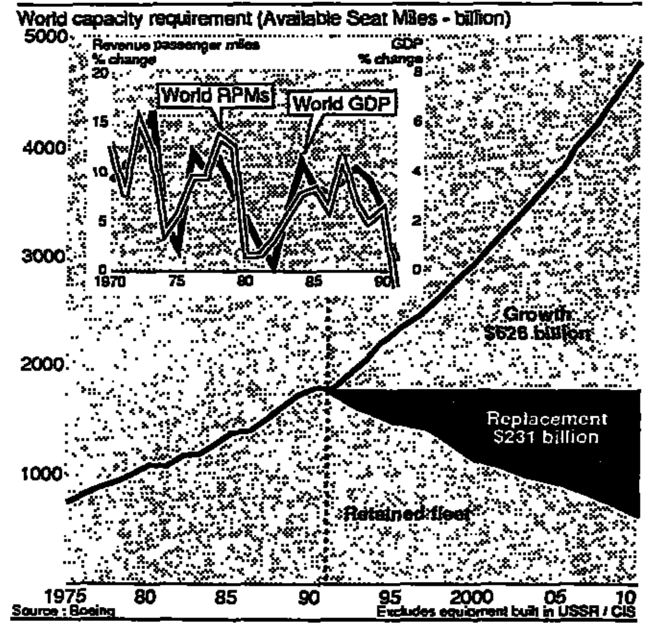
However, the total industry backlog of orders at the end of last year remains solid at $191bn and 3,158 aircraft. Boeing's backlog totalled $105bn and 1,665 airliners.

World air travel declined last year for the first time in the history of the jet aircraft. However Boeing expects it to grow by an average of 5.5 per cent a year between now and 2000 and then slow to about 5 per cent a year for the next 10 years.

Aircraft deliveries are expected to average 655 a year between now and 2000 and then 580 a year for the following 10 years. In dollar terms, deliveries will average about $45bn a year over the next 19 years compared with an average of $18bn a year during the past 21 years.

The Boeing outlook forecasts that of the 11,678 new jetliners which manufacturers are expected to deliver over the next 19 years, 27 per cent will replace old airliners and 73 per cent will be for airline growth.

Commercial aircraft market outlook



Source: Boeing
Excludes equipment built in USSR / CIS

De Klerk paints a dark picture of referendum defeat

By **Patti Waldmeir** in Cape Town

"YES! Ja! South Africa": President F.W. de Klerk has clearly decided to keep his message simple in campaigning for the country's referendum. He has little choice.

For Mr de Klerk, who set off yesterday on a two-week whistle-stop tour of South Africa, has precious little good news to sell to white voters, who will decide two weeks from today whether to abandon the privileges of centuries in favour of multiracial democracy, or revive the fantasy of apartheid by voting no to political reform.

His manner is polished and professional; with an easy smile and a twinkle in his eye, he charmed the Afrikaner youth of Stellenbosch yesterday, as he strolled through the campus of Stellenbosch University and lunched at the university canteen. But charm is not enough to make his message palatable – even in Stellenbosch, the seat of Afrikaner learning and home of *verligte* (enlightened) Afrikanerdom.

On his day-long tour of the western Cape, Mr de Klerk repeatedly promised voters that his government would guarantee justice, stability, security and economic development – and crucially, that he would prevent blacks from dominating whites in a mirror image of apartheid. Many want to believe him; but most – at least in this region – will vote yes whether they believe him or not. The alternative is simply too frightening.

For the strength of Mr de Klerk's campaign lies in conjuring up apocalyptic visions of a "no" vote in the referendum: this would bring the pro-apartheid Conservative party to power, plunge South Africa into international isolation, probably provoke race war and destroy the already-weak economy. Weekend newspaper adverts said it bluntly: Vote no and turn South Africa into Lebanon.

Mr de Klerk adopts a high moral tone in public meetings; at Stellenbosch town hall, he spoke of justice for all South Africans, of a civilised society where citizens of all races can live as one nation. He appealed to the voters of Stellenbosch not to reject the 26m South Africans who are not white. He sketched a vision of a country enriched by its ethnic and racial diversity.

But he spent at least half his address answering the main thrust of the Conservative party campaign to date: red-baiting. He denied that his party has entered into a de facto alliance with the African National Congress, which is itself closely allied to the South African Communist party. In short, he rebuffed Conservative party claims that his National party is going to hand over the party to communists, who continue to exercise a strong influence over the ANC.

That message went down relatively well in Stellenbosch, which one adviser described as "tame country for F.W". But it could well prove otherwise when Mr de Klerk ventures onto more dangerous turf: the working class suburbs of Johannesburg, the ultra-conservative Orange Free State; the northern Transvaal, home of Mr Andries Treurnicht, the Conservative leader, as the campaign finale.

For South Africans certainly want to end their international isolation – South Africa's participation in the current cricket world cup has proved wildly popular at home, even if the national team has lost its last two matches.

They want sanctions to end and international lending to resume.

But it is a moot point whether they really want the "one nation, one South Africa" which Mr de Klerk promises. Whatever his assurances to the contrary, many fear domination by blacks and the loss of economic privileges built up under apartheid. Two weeks is a very short time to persuade them otherwise.

EC foreign ministers urge patience in CIS aid effort

By **David Buchan** in Brussels

EUROPEAN Community foreign ministers yesterday told Brussels it should be patient and allow the International Monetary Fund to take the lead in organising macro-economic aid to former Soviet republics.

But the ministers endorsed the call by Mr Frans Andriessen, the EC external affairs commissioner, for the Community to extend EC ties to all members of the Commonwealth of Independent States (CIS) - in Asia as well as in Europe - and to relax conditions which have so far blocked the Ecu 1.25bn ($1.56bn) food aid loan to the CIS.

Mr Andriessen, fresh from touring four CIS republics last week, told ministers the EC should show the world a lead in stabilising the longer-term economic future of the CIS. Specifically, the EC should widen the scope of the CIS aid conference, which the Community will chair in Lisbon in May, so that it deals with structural, not just emergency, aid.

Some Commission officials feel the IMF will provide too little, too late to prevent further economic and political destabilisation in key CIS republics. It is therefore up to Brussels to mobilise a wider aid effort, of the kind that the US-sponsored Washington conference in January has so far failed to generate.

But Mr Douglas Hurd, the UK foreign secretary, said most ministers felt macro-economic aid should be left to the IMF, which is due to admit CIS republics as full members next month. "The enemy here is confusion," said Mr Hurd. "In the CIS there are too few institutions, while we have too many," he said.

The EC should not get in the way of the IMF, which was far advanced in its work with the leaders of, at least, Russia, he said.

After visiting Uzbekistan and Kazakhstan as well as Belarus and Ukraine last week, Mr Andriessen told ministers that Central Asia and Kazakhstan "are so interdependent with the other former Soviet republics that they will stand or fall together."

Thus Brussels should not be seen to demote central Asian republics to second place, behind European CIS republics, but should negotiate trade and co-operation deals with all of them.

One possible way of tying central Asian states to secular Turkey, rather than fundamentalist Iran, Mr Andriessen suggested, was for the EC to lend them money to buy goods from Turkey.

Pleading for the EC not to let its food aid get caught up in red tape, Mr Andriessen said the Community should be ready to waive some of the guarantees it has been demanding for its Ecu1.25bn food loan. The commissioner suggested that if Ukraine and Russia could agree on a 20:80 split of responsibility for repayment of past Soviet debt, the EC should accept.

The commissioner won wide backing from foreign ministers. But any change in the loan terms will have to be agreed by their more stony-hearted colleagues, the finance ministers, when they meet in two weeks' time.

Douglas Hurd, UK foreign secretary (left), talks with Hans-Dietrich Genscher, German foreign minister, before yesterday's EC foreign affairs council meeting

Lloyd's wins one US judgment in dispute over jurisdiction

By **Richard Lapper** in London

LLOYD'S, the London insurance market, was boosted yesterday by a legal success in one of several cases being brought against it in the US by loss-making Names, the individuals whose assets support underwriting in the market.

Judge Charles R Norgle, in a Chicago District Court, ruled that the UK rather than the US was the appropriate legal jurisdiction for a case involving a dispute between Names and their agents, who handle their affairs at Lloyd's.

Although it affects only three Names, it is regarded as significant by Lloyd's which faces action in one other US case, in which, 91 Names, represented by the New York law firm Proskauer Rose, allege breaches of both federal securities and racketeering legislation. Several hundred defendants are cited. Another case is on appeal after a judgment in favour of Lloyd's by a US district court in Denver.

Yesterday's ruling overturns a ruling by magistrate Joan Gottschall last September in favour of Mr Kenneth Bonny and Mrs Francesca Bonny, who originally brought the action. A third Name has subsequently joined the proceedings.

The Names alleged that agreements signed with Lloyd's and the agents – who handle their affairs – should not be enforced because Names' rights to the protection of US securities laws take precedence.

But yesterday the Chicago court upheld Lloyd's contention that the agreements stipulate any dispute must be heard in an English court.

Lloyd's motion to dismiss the entire case is pending before the same judge.

In last autumn's Denver ruling, a federal judge also found that US courts had no jurisdiction over similar plaintiffs' claims. Plaintiffs have appealed against that ruling.

In the UK, a Chancery Court judge will today hear a motion by Lloyd's to have litigation between it, members' agents and Names transferred to the Commercial Court. Several hundred Names are seeking motions for injunctions to prevent Lloyd's drawing down on their deposits in order to meet cash calls. The agents have agreed to freeze the deposits temporarily pending a full court hearing which is expected to begin in late March.

US recovery hopes

Continued from Page 1

a survey of managers at 300 companies.

Each index, such as that for new orders, is based on the percentage of respondents expecting an increase, plus half of those forecasting no change.

Separate figures showed a 1.3 per cent rise in construction spending in January, the first gain since October. The longer-term trend remained weak, with spending down 1 per cent on the same period last year.

The Commerce Department said that personal income fell by 0.1 per cent in January, after rising sharply in December. In real terms, disposable income fell by 0.2 per cent.

Consumption spending was weak, rising by 0.1 per cent in real terms in January following a 0.3 per cent gain the previous month. The weakness reflects a sharp decline in consumer confidence to its lowest level for 17 years.

THE LEX COLUMN

Taking Wellcome on trust

It would be difficult for any investor to resist the temptation to take profits on a holding that has risen nearly sevenfold since flotation in 1986, and more than doubled in the last year alone. While most might have chosen merely to top-slice, however, the Wellcome Trust never really had the option of anything but a blockbuster sale if it was to avoid creating an overhang of Wellcome shares. So it is difficult to read any real lessons from the size of the deal for Wellcome shares in particular or for the pharmaceutical sector in general.

That said, the trust could hardly admit to doubts about whether the company's growth prospects were enough to justify a multiple of 36 and a yield of 1.3 per cent. Such doubts are real, though, even if in the short run they may not matter too much. There will be technical factors underpinning the shares despite the loss of scarcity value which took 5 per cent off their value yesterday. UK institutions will doubtless want to correct their under-weighting in Wellcome.

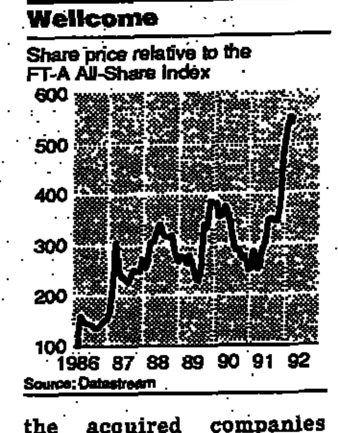
Demand should also be high from overseas investors, particularly those in the US who have hitherto been deterred by the lack of liquidity in the stock. Since Wellcome generates less than 10 per cent of its sales in the UK, the offering should be relatively well absorbed, whatever the investment climate that follows the election.

Yet the difficulty remains that of picking the moment when exponential growth has simply run its course. Wellcome's forecast yesterday of a 30 per cent increase in pre-tax profits for the first half of its current financial year indicates it is still able to provide the growth that its price requires. How much longer that will hold is largely a matter of faith. The trust will be sitting on a tidy profit, whatever happens.

FT-SE Index: 2,554.3 (-7.8)

Wellcome

Share price relative to the FT-A All-Share Index



Source: Datastream

Bowater

There is something of a *fin de siècle* feel about two highly leveraged packaging businesses simultaneously returning to the big company fold. Add in the names of Mr Michael Ashcroft and Mr Roland Franklin and the effect for some will be pure 1980s nostalgia.

Turning to the more serious matter of making money in the 1990s, Bowater's purchase of DRG Packaging and Cope Allman Packaging makes good strategic sense. Between them the acquired companies increase their parent's presence in the profitable niche markets of healthcare and pharmaceuticals packaging, while providing a substantial platform for expansion in continental Europe. DRG and Cope, in turn, will have access to Bowater's financial resources and should thus be able to make good the years of capital expenditure neglect.

While cash strapped buy outs generally leave little scope for further working capital reductions, it would be surprising if Bowater does not get to work quickly on margins. And thanks to the way the deal is structured, there should be no earnings dilution in the first year. Yet there is little room for the shares to disappoint. They have outperformed the market by two thirds over the last two years, but more to the point are trading on a 16 per cent premium to the market's prospective multiple for 1993 on the most optimistic forecasts for profit.

US economy

Wall Street's calm reaction to yesterday's much-improved manufacturing purchasing managers index for January is the latest reminder that US equity prices are discounting plenty of economic recovery. After January's unexpectedly strong rise in construction spending, the market appears to have concluded that it will take either a nasty set of employment figures later this week, or poor retail sales for February, to restore the possibility of a further interest rate cut.

In the meantime, evidence of recovery is gradually coming from a broader range of sources. The central issue now is the extent of the revival from what looked like the beginnings of a dip last November – not least because a robust rise in the economy could yet be evident in time to tip the political scales in George Bush's favour. The employment component of yesterday's purchasing managers index shows that jobs were still being shed last month, albeit at a slower rate. Fear of unemployment remains the dominant sentiment among consumers. While that is the case, the US economy is poorly positioned for a sustained recovery, if only because the unwillingness to spend – also confirmed in yesterday's figures – will be hard to shift. But perhaps that matters less than the fact that recovery is visible at all.

BBL

There seems no stopping the share price of Banque Bruxelles Lambert. Up by more than a quarter since bid gossip began in early December, the bank's paper was again in demand yesterday despite a firm denial of takeover interest from International Nederlanden Group. ING's statement, to be fair, does not rule out further purchases to add to its 9 per cent stake, but speculators are playing a dangerous game. While the assumption is that Groupe Bruxelles Lambert's Mr Albert Frere holds the ring with effective control over a 32 per cent stake in BBL, a lot depends on the still unknown intentions of his powerful allies at the French insurance group UAP. Creeping control by one side or the other still looks more likely than an all out fight.

Corporate finance

It has been many months since the UK market saw three flotations and the same number of management buy-outs announced on the same day, let alone a rights issue and double acquisition as well as a healthy clutch of less valuable deals. But the notion that old times have returned for London's work-starved corporate financiers should be treated with caution. Although yesterday stood out, it was in stark contrast to the recent dearth of deal-making. Most companies are delaying investment decisions ahead of the election. That is contributing to the stubborn slowness of recovery, which in turn is compounding political doubts. And with the two main parties running neck and neck in the polls, the election may not resolve this uncertainty.

WORLDWIDE WEATHER

		°C	°F
Ajaccio	F	14	57
Algiers	R	16	61
Amsterdam	C	7	45
Athens	F	15	59
Bahrain	F	18	64
Bangkok	F	35	95
Barcelona	C	13	55
Beijing	S	5	41
Beirut	S	14	57
Belfast	C	6	43
Belgrade	S	18	64
Berlin	R	12	54
Biarritz	S	14	57
Bombay	S	31	88
Bordeaux	S	15	59
Boulogne	S	9	48
Brussels	F	8	46
Budapest	S	10	50
Buenos Aires	F	28	82
Cairo	F	17	63
Cape Town	S	21	70
Caracas	C	28	82
Casablanca	R	15	59
Chicago	S	1	34
Cologne	F	9	48
Copenhagen	C	7	45
Corfu	F	13	55
Dallas	S	14	57
Dublin	C	8	46
Dubrovnik		-	-
Edinburgh	R	6	43
Faro	F	15	59
Florence	F	13	55
Frankfurt	F	8	46
Geneva	S	12	54
Gibraltar	F	15	59
Glasgow	R	6	43
Helsinki	C	3	37
Hong Kong	R	19	66
Innsbruck	S	11	52
Inverness	R	6	43
Islamabad	F	22	72
Istanbul	S	9	48
Jakarta	R	30	86
Jersey	S	10	50
Johannesburg	F	17	63
Lima	F	28	82
Lisbon	S	17	63
London	S	9	48
Los Angeles	R	14	57
Luxembourg	F	8	46
Madeira	F	17	63
Madrid	F	11	52
Majorca	F	16	61
Malaga	Dr	14	57
Malta	F	16	61
Manchester	F	7	45
Manila	F	34	93
Melbourne	S	30	86
Mexico City		-	-
Miami	S	17	63
Milan	S	13	55
Montreal	S	23	73
Moscow	Sn	1	34
Munich	F	11	52
Nairobi	F	29	84
Naples	S	14	57
Nassau	F	26	79
New Delhi	S	24	75
New York	C	4	39
Nice	S	11	52
Nicosia	F	14	57
Oporto	S	17	63
Oslo	F	6	43
Paris	S	10	50
Prague	S	14	57
Reykjavik	F	1	34
Rhodes	S	16	61
Rio de Janeiro		-	-
Rome	F	13	55
Salzburg	S	14	57
San Francisco	C	13	55
Seoul	F	11	52
Singapore	F	31	88
Stockholm	F	10	50
Strasbourg	R	7	45
Sydney	S	25	77
Taipei	F	21	70
Tangier	C	15	59
Tel Aviv	S	13	55
Tenerife	C	20	68
Tokyo	C	11	52
Toronto	C	-6	21
Tunis	F	16	61
Valencia	F	14	57
Venice	C	6	43
Vienna	S	12	54
Warsaw	S	14	57
Washington	S	5	41
Zurich	F	11	52

Temperatures at midday yesterday C-Cloudy Dr-Drizzle F-Fair Fg-Fog H-Hail R-Rain S-Sunny Sl-Sleet Sn-Snow T-Thunder

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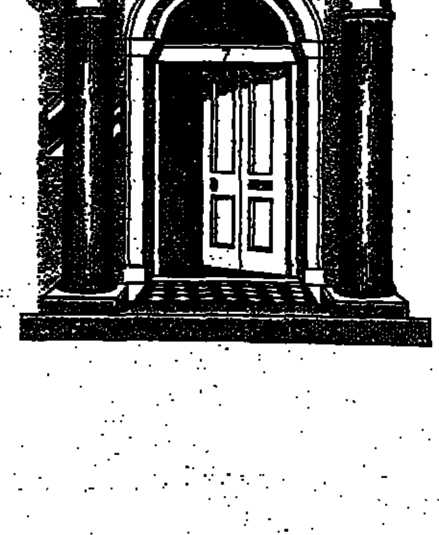

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INSIDE

EC gives Agnelli clearance for bid

The European Commission has cleared the Agnelli family's agreed bid for Exor, which controls Perrier, the French mineral water, but only on condition that the Agnellis limit their influence over the mineral water strategy of BSN, the French food group which has launched a counter-bid for Exor. **Page 24**

Japanese in computer deal talks

Matsushita Electric Industrial, Japan's largest consumer electronics manufacturer, has begun talks with American Telephone and Telegraph, the US telecommunications group, that could lead to a joint venture to develop pen-based portable computer systems. **Page 25**

SA Brewing up 11%

SA Brewing, the Australian drinks and industrial group, has reported a rise of 11.3 per cent in interim net profits to A$56m (US$42m), and forecast a similar improvement in the second half. Lower interest charges, cost-cutting, and the first full six months contribution from Penfolds, the Australian winemaker, were cited for the rise. **Page 25**

Threat of Euro-banana war

A banana war is threatening the Uruguay Round world trade talks. Tomorrow, the European Commission will try to decide whether to make Euro-bananas, those grown in the Community's former colonies, subject to competition from cheaper bananas from Central and South America. **Page 30**

Esselte restructuring loss

Esselte, the Swedish office products group, has reported a loss of SKr416m ($70m) for 1991 due to large restructuring costs. The company, which had a profit of SKr145m in 1990, hopes to maintain its SKr5.25 dividend in the expectation that earnings will improve this year. **Page 24**

ASW pre-tax profits fall

Profits at ASW Holdings, the Cardiff-based steel and wire group, were hit badly by a steep fall in steel prices. It made only £2.3m ($4m) before tax last year compared with £40.3m in 1990. ASW cut its final dividend from 8p to 4.5p, making a total of 9p. **Page 29**

MTM drops on profits warning

Shares in specialist chemicals company MTM fell sharply to 226p yesterday after it warned 1991 profits would fall substantially below City of London expectations. **Page 28**

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Chief price changes yesterday

FRANKFURT (DM)			
Rises			
AG Ind & Verk	730	+	8
Beiersdorf	815	+	13
Lahmeyer	885	+	20
Falls			
Gerresheimer	372	−	11
Hapag Lloyd	560	−	15
Springer Axel	480	−	27

NEW YORK ($)			
Rises			
Digital Equip	62⅛	+	½
Grace Energy	17⅛	+	2⅝
Hewlett-Packard	74⅜	+	1⅜
Param'nt Comms	47⅜	+	1⅛
Scitex	42¼	+	1¼
Falls			
Travelers	20	−	1

PARIS (FFr)			
Rises			
Bancaire Cie	511	+	8
Intertechnique	774	+	14
Falls			
Axa	968	−	10
CCF	193	−	6
Essilor Int	392.5	−	8.5
Skis Rossignol	820	−	22

TOKYO (Yen)			
Rises			
Aichi Tokei	548	+	70
Dainippon Pharm	1800	+	300
Mochida Pharm	3770	+	450
Nihon Nohyaku	1420	+	200
Shikoku Chem	615	+	83
Falls			
Crown	1200	−	200

LONDON (Pence)							
Rises				Midlnds Radio	106	+	8
ADT	500	+	37	Stainless Mtl	23	+	4
Ashley Grp	50	+	8	Tunstall	220	+	10
Billam (J)	99	+	15	**Falls**			
Braime A	175	+	45	ASW	131	−	7
Dalepak	433	+	71	Barbour Index	260	−	14
Doeflex	85	+	4	Flextech	151	−	7
Haggas (J)	103	+	6	Int Inv Jersey	275	−	75
Hampden Home	38	+	4	Jermyn Inv	180	−	45
Harrington	148	+	8	MTM	226	−	80½
Isotron	225	+	10	WPP	101	−	8
Kwik-Fit	192	+	8				
Midland Bank	278	+	11				

Yamaichi losses will exceed Y10bn

By **Robert Thomson** in Tokyo

YAMAICHI Securities, one of Japan's Big Four brokers, said yesterday it would report a loss for the year to the end of March, the first since the company was restructured in the mid-1960s during a stock market crisis.

Mr Atsuo Miki, a Yamaichi vice-president, said the company would report a pre-tax loss of more than Y10bn ($77m). Other reports have put the likely loss at Y17bn. Yamaichi had pre-tax profits of Y67.5bn for the previous year.

Yamaichi's earnings have been undermined by the problems facing Japan's leading houses: low volumes and weak prices on the Tokyo stock market. It is expected that about 10 of the largest 14 Japanese brokers will report losses for the current year.

The company reported a pre-tax loss of Y5.4bn in the first half, its first for 27 years. It suffered a Y12.3bn loss on its own securities trading and a 25.1 per cent fall in commission income, which had been eroded by a 34 per cent decline in Tokyo market turnover during the first half. At the time, it forecast a full-year profit.

Yamaichi estimated that the measures imposed by the Ministry of Finance after last year's stock market scandals had cost the company between Y2bn and Y3bn. But the indirect costs of the effects on investor confidence are likely to be greater, as Tokyo prices have remained low and exchange officials are still discussing ways of attracting individuals back to the market.

In previously forecasting a full-year profit of Y20bn, Yamaichi had been apparently hoping for a daily average turnover of about 300m during the second half, but first section turnover has remained weak, and last week saw an average 189.06m shares, down from 201.18m in the previous week.

The lack of new money in the market has been highlighted by the change in fortunes of investment trusts, which have been net stock sellers for eight consecutive months. The industry reported yesterday that net share purchases last month totalled Y354.2bn, against net sales of Y527.6bn.

Japanese brokers expect the market to remain weak until the end of the financial year, which is often marked by companies selling off shares to cash in unrealised gains.

However, brokers are generally confident that investor sentiment will turn in the second half.

Carlsberg launches DKr1bn cash call

By **Hilary Barnes** in Copenhagen

CARLSBERG, the Danish brewing group, which is proposing to merge its UK brewing interests with those of Allied Lyons, is to strengthen its finances by a DKr1.06bn ($167.3m) rights issue.

The Danish group is relatively small. Sales last year were DKr10.2bn, but it has a worldwide reputation as supplier of the Carlsberg and Tuborg lager brands.

It has breweries in the UK, Germany, Portugal, Malawi, Malaysia, Hong Kong and Turkey as well as in Denmark. The group has increased its profits in every year for the past decade. Last year post-tax profits were DKr789m, a return on equity of 13.8 per cent.

Carlsberg and Allied Lyons took the markets by surprise last year when they announced a joint venture to bring together their UK brewing interests to create a group with a strong portfolio of beers, including Carlsberg and Tuborg, Castlemaine XXXX, Skol and Löwenbräu, as well as Tetley Bitter and Draught Burton ale.

The merger, proposed last October, is still under the scrutiny of the UK competition authorities. The venture will encompass Allied's six breweries and wholesaling operations, and Carlsberg's brewery at Northampton, one of the most efficient in the UK, together with its distribution network.

Carlsberg has not specified what the new funds will be used for but Prof Kristof Glamann, supervisory board chairman, told the annual meeting in December, when hinting at a share issue, that increasing international competition made a strong financial position necessary.

He said Carlsberg needed capital for acquisitions and investment in new technology and sales and marketing.

The issue of one new A or B share for 11 existing shares will be priced at DKr200 per share with a denomination of DKr20. This is well below the stock market price. The market traded the Carlsberg B share down by DKr22 to DKr319 and the A share by DKr18 to DKr333.

The issue will open for subscription on March 30. The issuing banks have underwritten the issue. The Carlsberg Foundation, which has a controlling interest in the group, has guaranteed to subscribe 51 per cent of the issue, which is for A shares with a face value of DKr58.7m and DKr47.7m for the B shares.

Wellcome shares hit by sell-off scheme

By **Maggie Urry** in London

SHARES IN Wellcome, the UK drug group, fell 60p to £10.66 yesterday as the London stock market digested the news that the Wellcome Trust is to reduce its stake in the company from 73.6 per cent to as little as 25 per cent. However, fund managers and analysts said they thought the fall was temporary.

The sale could raise as much as £4.5bn ($7.9bn) making it the largest non-privatisation issue yet seen in the UK.

Mr Roger Gibbs, chairman of the Wellcome Trust, which funds medical research, said that no decision had yet been made on how much would be sold. He said that it would be wrong to make a series of sales, and better to do it in one move. The trust will keep at least 25 per cent of Wellcome's shares for the long term, which he defined as a minimum of five years.

The sale depends on approval from the High Court to reduce the trust's stake below 50.1 per cent. Mr Gibbs said: "We believe we have a reasonable prospect of a judgment in our favour."

The money raised will be reinvested, Mr Gibbs said, in a broadly spread international portfolio yielding 4½ per cent to 4¾ per cent, rather than the 1.2 per cent yield the trust is receiving from its Wellcome shares.

He said every £1bn raised would increase the trust's annual income by £35m.

Mr John Robb, chief executive of Wellcome, said that the shares had had scarcity value, but "I do not think it is a good thing to have a scarcity value in a share price. Removing it will be positive rather than negative".

Fund managers said that a number of institutions had decided not to buy Wellcome shares because it was difficult to acquire sufficient stock to make a meaningful holding. "This will make it a company institutions can look at as a sensible one to invest in," said one manager.

Details of the sale, which is likely to take place in the summer, have yet to be agreed. However, it is expected that the sale could be arranged on a basis similar to that of the BT sale late last year.

Advisers to the Wellcome sale are hoping for the price to be set at a premium to the prevailing share price. There may be plans for existing shareholders to have priority in the sale. Much of the issue is expected to be sold in the US.

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Background, Page 20

John Thornhill looks at the prospects for Bowater's latest acquisitions

A timely move by sober management

Bowater has built up a reputation as a thoroughly sensible business. Its down-to-earth products, spanning consumer products packaging, book printing and window safety films, smack of wholesomeness; its management reeks of prudence; and its profits record – apart from this year's minor blip as a result of the recession – reveals consistent progress.

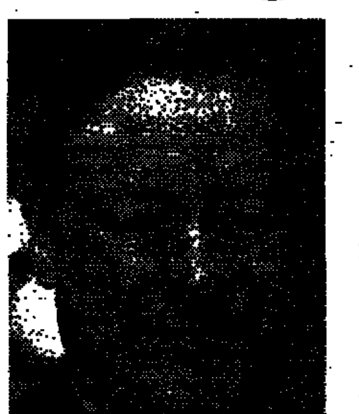
Since new management came on board in April 1987, Bowater's sprawling interests in the paper and packaging sectors have been slimmed down and spruced up as the company has slid into new areas of activity through a series of shrewd acquisitions.

Mr Norman Ireland, the company's chairman and former guiding spirit at the BTR industrial holding group, has made a wily contribution to the company's acquisitive restructuring while Mr David Lyon, as chief executive, and Mr Michael Hartnall, finance director, have given the company new strategic direction as well as more rigorous cost control systems. The company now consists of 90 operating units clustered around its core skills.

In spite of their achievements, the management trio is somewhat dour and sober-suited; just about the only concession to flamboyance is Mr Lyon's penchant for colourful neckties. But such characteristics are much prized in the current market conditions and it was perhaps unsurprising that in spite of springing two acquisitions for £444m, ($777m) a £333.5m rights issue and a slight drop in pre-tax profits to £112.7m the market yesterday pushed Bowater's shares down only 3p to 765p.

The acquisitions of DRG Packaging and Cope Allman Packaging are in part sheer opportunism but they also serve a distinct longer-term strategic purpose. Both were the subject of highly-leveraged acquisitions and have since had to labour under severe borrowing constraints, exacerbated by the recession in the UK.

DRG, which supplies speciality packaging to the food and healthcare markets, was bought by Pembridge Investments, a private takeover vehicle, for £697m in 1989. But the company has since struggled in some unforgiving markets.



David Lyon: dour qualities are prized by the market

"DRG has been hauled over the coals over the past few years and has lacked good industrial direction," Mr Lyon said yesterday. He added that Bowater would now spend more than £30m building a much-needed facility to rehouse some of DRG's packaging businesses - a move which the previous management had outlined but had been unable to afford.

Similarly, Cope Allman, a cosmetics and pharmaceuticals products packaging group which was last sold for £210m in 1988 at the top of the cycle, has also been hit by tough market conditions – especially in the cosmetics field. Mr Lyon said that even the collapse of communism in eastern Europe had worked against the company depriving it of a lucrative sideline in supplying posh cosmetics to the nomenklatura.

From a cost point of view, Bowater accepts it can squeeze little more out of these businesses, but believes it can apply muscle in terms of buying and securing better financing terms. It already sees a big opportunity for transferring Cope Allman's US skills in developing child-resistant packaging (for such items as bleach bottles) to the less developed European market.

Mr Tim Rothwell, packaging industry analyst at stockbrokers Barclays de Zoete Wedd, said the acquisitions represented a good opportunity for Bowater. "These are two high-quality businesses that have suffered from operating under the constraints of a leveraged buy-out situation. Now that the future of these businesses is secured you will see an improvement in their morale and sales efforts and a higher level of customer confidence," he said.

The only doubts other analysts raised concerned whether Bowater would be able to make the acquisitions work hard enough to enhance earnings if the recession persisted.

Mr Mike Murphy, of Warburg Securities, suggested Bowater might lift earnings per share to 50p this year compared with a restated 48.5p but the company had little room for error.

Mr Lyon argued that the deals developed Bowater's mainland European businesses making it better able to respond to the changing demands of the market. He suggested that the growing agglomeration of consumer products companies such as Unilever, Procter & Gamble, BSN, and Nestlé on a pan-European basis would increasingly mean that their packaging needs would have to be satisfied on an international dimension.

Such thinking has underpinned the wave of restructuring in the European packaging industry that has led to the formation of CMB, the Anglo-French packaging group, the acquisition of European operations of American National Can by Pechiney, the purchase of the European arm of Continental Can by Viag, and the merger of Rockware and BTR.

"There is a restructuring taking place and there are going to be opportunities to participate in more partnership relationships with product manufacturers. By doing so you drive out costs, speed up quality and shorten the time it takes to get new products to market," Mr Lyon said.

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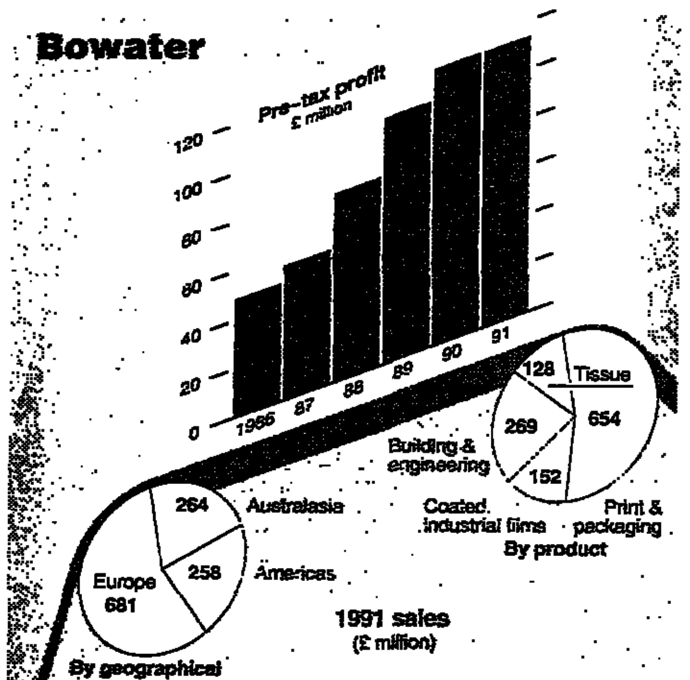
Results, Page 28



- **Apr 1987:** Norman Ireland and David Lyon join the company
- **Oct 1987:** Bowater acquires Rexham Corporation, US packaging group for $226m (£136m)
- **May 1989:** loses takeover battle with Evode for control of Chamberlain Phipps, the shoe components and adhesives group
- **Oct 1989:** wins control of Norton Opax, specialist print and packaging group, for £382m
- **May 1990:** sells Crossley Builders' Merchants to Harrisons and Crosfield for £113m and later that month launches a £140m rights issue

Steinhardt makes $587m cash offer for Integrated Resources

By **Patrick Harverson** in New York

STEINHARDT Managers, the New York-based investment firm, yesterday announced it had made a $587m cash bid for Integrated Resources, the troubled financial services company languishing in Chapter 11 bankruptcy.

The Steinhardt bid matches a similar-sized offer for Integrated Resources from the Pritzker family of Chicago, whose major holdings include the Hyatt Hotel chain.

The new offer comes a few weeks after Bankers Trust, the US banking group, pulled out of a deal to acquire Integrated Resources for $565m, reportedly because negotiators could not reach agreement on the terms of the liabilities the bank would have assumed under the takeover.

Steinhardt said its bid was submitted on behalf of the company and "affiliated entities" last week. It declined to comment on the details of the offer, but said it expected its proposal to be subject to significant negotiations and modifications.

Any acquisition of Integrated Resources will have to be approved by the bankruptcy court and creditors as part of a reorganisation plan that brings the company out of Chapter 11.

Integrated Resources, which specialised in syndicating property tax shelter partnerships, went bankrupt in February 1990 with liabilities of at least $1.5bn.

Since then the company has been talking to potential bidders while attempting to formulate a reorganisation plan.

Steinhardt Partners is an investment and fund management firm run by New York money manager Mr Michael Steinhardt.

Last year it was discovered that Steinhardt was one of the customers which, along with securities house Salomon Brothers, acquired more than 90 per cent of a May 1991 auction of government securities.

Government authorities are investigating whether there was any collusion between Salomon and its customers to corner the market in the May issue.

SALE OF SHARES IN
SVENSK AVFALLSKONVERTERING AB
SAKAB

The Swedish government decided on January 30, 1992 to dispose of the main part of the state's shareholding in Svensk Avfallskonvertering AB ("SAKAB").

SAKAB is the largest company in Sweden for hazardous waste management. SAKAB's turnover in 1991 amounted to SEK 142 million and profit after financial items to SEK 26,6 million (preliminary figures).

A group lead by Mr Per Olof Håkansson, Member of Parliament and Chairman of SAKAB, has been appointed to prepare for the sale of shares. The formal decision to dispose of shares in SAKAB will be taken by the government.

Industrial and institutional investors who may have an interest in acquiring the state's shareholding or parts thereof, can request an investment memorandum from the address below. Indications of interest shall be sent by March 16,1992 at the latest to:

Alfred Berg Fondkommission AB
Corporate Finance
P.O. Box 70447
S-107 25 STOCKHOLM
Sweden

Telefax: +46-8-611 44 34

For further information, please contact: Per Olof Håkansson, Chairman of SAKAB, telephone +46-8-786 43 59 or Björn Fröling/Hans Hemmingsson, Alfred Berg Fondkommission, telephone +46-8-723 58 00.

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Top financiers link to set up as advisers on M&A

By Robert Peston in London

MR JAMES Wolfensohn and Lord Rothschild, two of the world's best known financiers, are forming a European-based business to advise international companies on mergers and acquisitions.

The new business, to be called J. Rothschild, Wolfensohn & Co. will be owned in equal portions by James D. Wolfensohn Incorporated, the New York-based corporate adviser, and J. Rothschild & Co.

The creation of the business, whose capital will be in "the low few millions of dollars" according to Mr Wolfensohn, marks a return for Lord Rothschild to the business of advising companies on transactions.

He has not been actively involved in corporate finance since he fell out with his cousin. Sir Evelyn de Rothschild, 12 years ago, and left his family's merchant bank, N. M. Rothschild.

Mr Wolfensohn, who was born in Australia, controls one of New York's most profitable corporate advisory firms. Over the past couple of years he has come to the view that his firm needed to "expand its practice into Europe," he said.

He has known Lord Rothschild for 25 years and mentioned his plan to him over dinner six months ago. Mr Wolfensohn said the venture had "captured the imagination" of Lord Rothschild.

He did not regard it as a drawback that none of Lord Rothschild's existing businesses are involved in giving advice on mergers and acquisitions to companies. Mr Wolfensohn said that there could have been problems in linking with a London-based merchant bank, because the interests of his clients and those of the merchant bank could have conflicted.

Lord Rothschild said he was delighted that Mr Wolfensohn had chosen London as the base for the new venture: "It was touch and go whether it was set up in Frankfurt or London," he said.

In the past two years, Wolfensohn Inc, whose chairman is Mr Paul Volcker, former chairman of the Federal Reserve, the US central bank, has advised on corporate transactions with a value of $15bn.

Mr Volcker will be chairman of the London-based venture. Lord Rothschild and Mr Wolfensohn will be vice-chairmen. About 10 executives will be recruited.

In January, Lord Rothschild's new life assurance business, formed with Sir Mark Weinberg, began trading.

Telefonica lifts profits and payout by 6.7%

By Tom Burns in Madrid

TELEFONICA, Spain's government-controlled telecommunications group, lifted net profits in 1991 by 6.7 per cent to Pta80.9bn ($783m). It plans to increase its dividend by the same percentage to Pta87.2 per share from Pta81.7 in 1990.

Presenting consolidated accounts for the first time to meet stock market rulings, Telefonica posted after-tax profits of Pta103.9bn due to good results at home and abroad plus asset disposals.

Consolidated subsidiaries, in which the parent company has a 20 per cent to 50 per cent holding, include Chile's CTC and Entel telephone networks. Together, these contributed Pta7.7bn to group profits.

A further Pta20bn was earned through the disposal of Telefonica's stakes in Alacatel and Telettra following the merger of the two companies last year.

Income from subsidiaries and disposals helped Telefonica comfortably through extraordinary costs of Pta19.4bn incurred by Telefonica's decision to transfer its in-house pension scheme to the national security system.

News of this development last week caused a sharp drop in the group's share price.

Group capital investment fell by 13.6 per cent last year to Pta589.1bn after years of sustained expansion in new equipment and lines.

Demand for new lines fell by 10.6 per cent last year, constituting a key indicator of the slowdown of the domestic economy.

EC clears Agnelli offer for Exor

By Andrew Hill in Brussels and Alice Rawsthorn in Paris

THE European Commission has cleared the Agnelli family's agreed bid for Exor, which controls Perrier, the French mineral water producer, but only on condition that the Agnellis limit their influence over the mineral water strategy of BSN, the French food group which has launched a counter-bid for Exor.

Yesterday's announcement was the first indication of Brussels' attitude in the complex battle for Perrier. The Agnelli/Exor deal was cleared mainly because Ifint, the Agnelli bid vehicle, no longer owns any mineral water brands.

The Commission would not comment on its response to any of the other bids and counter-bids in the sector. But it seems likely that other pending mergers – notably Nestle's bid for Perrier, which the Commission is already looking at, and the BSN/Exor deal, which has not yet been notified to Brussels – will pose more problems than Agnelli/Exor because both bidder and prey hold strong positions in the lucrative mineral water market.

If any of the bids prompts "serious doubts" about its effect on the EC market, the Commission will mount a full inquiry, and could, if necessary, block the merger or impose conditions.

Although the Agnellis have no direct involvement in the sector, the Commission was concerned about the indirect effect of the family's 5.8 per cent stake in BSN, which owns the Badoit mineral water brand, and the influence of Mr Umberto Agnelli, who has a seat on the BSN board.

From now on, Mr Agnelli – brother of Mr Gianni Agnelli, chairman of Fiat – will be unable to take part in discussions and decisions on BSN's mineral water strategy. Nor will the Agnellis be allowed to exchange information with BSN which might "influence competitive behaviour" in the mineral water sector.

Sir Leon Brittan, the EC competition commissioner, yesterday reminded the Agnellis that the Commission had the option of opening a separate inquiry if the Italian family won control of Perrier and strengthened its links with BSN.

Umberto Agnelli: barred from influencing BSN

That seems unlikely at the moment, since BSN – which wants to acquire the Volvic mineral water brand from Perrier – is now allied with Nestlé, in the opposite camp from the Agnellis, and has forbidden the Italians to increase their stake.

Commission officials said yesterday that although Brussels' merger task force was keeping an eye on the whole Perrier situation, each bid would be considered separately, assuming it was large enough to trigger an automatic inquiry in Brussels.

Meanwhile, the Conseil des Bourses de Valeurs, a body that regulates the French stock market, yesterday gave the go-ahead to the counter-bid for Perrier unveiled last week by a group of investors led by Exor.

The Exor group, which already controls nearly 49 per cent of Perrier, made its offer for the rest of the shares to comply with a CBV ruling. It is offering FFr1,475 a share for the remaining stock, the same as that offered by Nestlé.

The CBV also decided to allow Perrier and Exor's shares to resume trading on the Paris stock market tomorrow.

Restructuring depresses Esselte

By John Burton in Stockholm

ESSELTE, the Swedish office products group, yesterday reported a loss of SKr416m ($70.15m) for 1991 due to large restructuring costs.

However, the company, which had a 1990 profit of SKr145m, said it would maintain its dividend of SKr5.25 in the expectation that earnings would improve this year due to lower costs resulting from its rationalisation programme.

Esselte said it made a profit after financial items of SKr142m before deducting the one-time operating costs of SKr558m.

The company has undertaken the extensive restructuring programme in response to weakening demand. Sales last year fell by 3 per cent to SKr15.6bn. Esselte has sold its media operations, including Filmnet, the pay TV channel, to concentrate on its core business of office equipment.

It is also reducing its labour force by 2,950 to around 15,500 workers. Mr Bo Lindquist, president, said yesterday that the company may be divided in two to further improve performance.

One unit would consist of the international manufacturing and marketing operations. The other would concentrate on the Nordic region where Esselte conducts more wide-ranging activities, including providing electronic office equipment and information services as well as owning a network of specialist retail outlets.

A decision on the possible split of the company will be discussed at the annual meeting in June, when restrictions on foreign shareholdings in the company are also expected to be removed.

Banco di Napoli advances 11.3%

By Haig Simonian in Milan

BANCO di Napoli, the big Italian public sector bank which last year floated 20 per cent of its shares on the stock market, raised gross profits before depreciation and provisions by 11.3 per cent to L856bn ($696m) last year.

The bank announced it would issue 53.25m new ordinary shares as part of a L213bn rights issue, reserved for the Italian Treasury. The deal marks the second tranche of a four-stage L850bn plan to bolster its capital ratios via the injection of fresh funds from the public sector.

Boosted by the opening of 101 new branches last year, total deposits increased by 14.5 per cent to L75,700bn, while loans rose by 18 per cent to L63,700bn. Total assets for the bank rose to around L97,000bn at the end of last year from L83,000bn in December 1990.

Banco di Napoli's net worth jumped by 159 per cent to L4,233bn following the revaluation of its assets as part of Italy's bank reform provisions and the arrival of fresh capital from both private shareholders and the Treasury.

● **Jacobs Suchard**, the Swiss confectionery group, has completed its long search to break into the Italian coffee market with agreement to buy Splendid, the country's second biggest coffee brand, from Procter & Gamble Italia.

No price for the deal was disclosed. However, Splendid and Caramba, a second brand being acquired, have around 12 per cent of the Italian market, with annual sales of about L140bn.

DG Bank calls in auditors

By David Waller in Frankfurt

THE financially-stretched DG Bank has called in a firm of auditors to investigate the activities of the bank and its management and supervisory boards between January 1989 to mid-1991.

The precise scope of the investigation by Deutsche Treuhand Gesellschaft, a German accountancy firm, has not been made public, although during the period under review DG Bank became embroiled in disputes with French banks over bond sales and repurchase agreements, ultimately requiring DG Bank to take heavy write-offs.

DG Bank would only confirm yesterday, in response to an article in the Spiegel news magazine, that the investigation was under way and had been approved by management and supervisory boards.

In October last year, Mr Bernd Thiemann, the bank's chief executive since early 1991, announced a DM1.4bn ($840m) cash injection and said the bank would only break even at the operating level.

Aéroports de Paris slips to FFr381m

By Alice Rawsthorn

AEROPORTS de Paris, the company that operates 14 Paris airports including Charles de Gaulle and Orly, sustained a slight fall in net profits to FFr381m ($68.03m) in 1991 from FFr410m in 1990.

Mr Bernard Lathère, chairman, said that Aéroports de Paris, like other travel companies, was hit by the instability in the travel market last year.

The number of passengers going through Orly and Charles de Gaulle, the two largest Paris airports, fell by 3.3 per cent. Orly attracted 23.3m passengers and Charles de Gaulle 22m. The level of freight business was also depressed by just over 2 per cent to 853,000 tonnes and the volume of mail fell by 5.8 per cent to 59,000 tonnes.

Turnover, according to Mr Lathère, should have risen by about 5 per cent to FFr5.3bn in 1991. Aéroports de Paris, which also has interests in property, plans to raise its investment to FFr3.2bn in 1992 representing an increase of 76 per cent over last year.

Baer Holding plans share split

BAER Holding, the parent company of Bank Julius Baer, plans to split both its SFr100 registered shares and its SFr500 bearer shares 10 for one following changes in Swiss law, writes Ian Rodger from Zurich.

The group said the move would make the shares easier to trade while preserving family control.

Alcatel Cable rises 16% to FFr1.27bn

By Alice Rawsthorn

ALCATEL Cable, the wire and cable subsidiary of Alcatel Alsthom, the French group which is the world's largest maker of telecommunication equipment, saw net profits increase by 16 per cent to FFr1.27bn ($220m) in 1991 from FFr1.1bn in 1990.

The company, which recently reached agreement with the AEG arm of Daimler-Benz, the German industrial group, to buy its cable business, saw turnover rise by 12 per cent from FFr24.52bn to FFr27.48bn last year.

The AEG deal, which was announced in October, came too late to affect Alcatel Cable's results for 1991 although it raised the latter's share of the German market from 10 to 25 per cent. However, Alcatel Cable had already made a number of acquisitions – including those of Vacha in eastern Germany and Orbitec in France – which did contribute during the year.

Alcatel Alsthom recently announced an 11 per cent increase in consolidated sales to FFr159.9bn in 1991.

NEW ISSUE
This announcement appears as a matter of record only
January 1992

Shanghai Vacuum Electron Device Co., Ltd.
(Incorporated in the People's Republic of China)

International Offering of 1,000,000 B Shares of Nominal Value Rmb 100 each

Offer Price: Rmb 420 per Share
(Payable in United States Dollars)

Lead Manager
Shanghai Shenyin Securities Company

International Coordinator
SBCI Finance Asia Limited
(A wholly owned subsidiary of Swiss Bank Corporation)

International Managers
Salomon Brothers International Limited **SBCI Finance Asia Limited**
Sun Hung Kai Investment Services Limited

Barclays de Zoete Wedd (Asia) Limited **W.I. Carr (Far East) Limited**
Hyundai Securities Co., Ltd. **Morgan Grenfell (Asia) Limited**
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Swiss Bank Corporation
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HMC Mortgage Notes 2 PLC
£175,000,000
Class A
£14,000,000
Class B
Mortgage Backed Floating Rate Notes Due February 2015
For the interest period 28 February, 1992 to 28 May, 1992 the Class A Notes will bear interest at 10.725% per annum. Interest payable on 28 May, 1992 will amount to £2,637.30 per £100,000 Note.
The Class B Notes will bear interest at 11.725% per annum for the same period. Interest payable on 28 May, 1992 will amount to £403,647.54 (subject to the deferral provisions of the Conditions of the Class B Notes) per £14,000,000 being the Principal Amount Outstanding (as defined in the Conditions of the Class B Notes).
Agent: Morgan Guaranty Trust Company
J P MORGAN

£150,000,000
HALIFAX
BUILDING SOCIETY
Floating Rate Loan Notes Due 1996 (Series A)

Interest Rate	10.705%
Interest Period	28th February 1992 31st March 1992
Interest Amount due 31st March 1992 per £ 5,000.00 Note	£ 46.80
£50,000.00 Note	£467.98

Credit Suisse First Boston Limited
Agent

NOTICE TO HOLDERS OF
The Chugoku Electric Power Company
JPY 15,000,000,000
7⅛% Dual Currency JPY/USD Bonds 1996
Pursuant to the Terms and Conditions of the above Bonds notice is hereby given that effective from 16th March, 1992 The Industrial Bank of Japan, London Branch (one of the Paying Agents) is changing its address to Bracken House, One Friday Street, London EC4M 9JA.
Fiscal and Paying Agent:
Banque Paribas Luxembourg
Société Anonyme

NEW ISSUE This announcement appears as a matter of record only March 1992

FIH

Finance for Danish Industry A/S
(FinansieringsInstituttet for Industri og Håndværk A/S)

Italian Lire 200,000,000,000
11.70 per cent. Notes due 1999

IMI Bank (Lux) S.A. **Unibank**

Banca Commerciale Italiana
Banca d'America e d'Italia (Deutsche Bank Group)
Banca Euromobiliare
Banca Nazionale del Lavoro
Banco di Napoli
Banco di Roma (Gruppo Cassa di Risparmio di Roma)
BIKUBEN
CARIPLO S.p.A. Milano
Credit Suisse First Boston Italia S.p.A.
Credito Italiano
Den Danske Bank
Istituto Bancario San Paolo di Torino S.p.A.
Monte dei Paschi di Siena
Sankt Annae Bank A/S
Swiss Bank Corporation
ABN AMRO Bank N.V.
Bankers Trust International PLC
Banque Bruxelles Lambert S.A.
Banque Générale du Luxembourg S.A.
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Commerzbank Aktiengesellschaft
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Fuji International Finance PLC
Gemina Europe Capital Markets S.A.
Generale Bank
Italian International Bank Plc
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US$ 150,000,000
Floating Rate Subordinated Debentures due 2087
In accordance with the provisions of the Debentures, notice is hereby given that for the six-month interest period from February 28, 1992 to August 28, 1992 the Debentures will carry an Interest Rate of 4 9/16 % per annum.
The interest payable on the relevant interest payment date, August 28, 1992 will amount to US$ 230.66 for Debentures of US$ 10,000 nominal and US$ 2,306.60 for Debentures of US$ 100,000 nominal.
The Reference Agent
Kredietbank Luxembourg

Intel continues legal battle against chip companies

By Louise Kehoe

INTEL, the leading US semiconductor manufacturer, is continuing its aggressive legal assault against imitators of its microprocessor chips.

The company has filed patent infringement suits against Chips & Technologies, another Silicon Valley semiconductor company which sells semiconductor devices to personal computer manufacturers.

Last summer, Chips & Technologies announced plans to sell a family of chips based on its version of the 386 microprocessor, Intel's top-selling product. Intel alleges Chips & Technologies 386 and a related 387 co-processor chip violated Intel patents.

Chips, which does not have its own manufacturing plant, sub-contracts production of these devices to Texas Instruments, one of the largest US chip-makers. Chips and Texas are also reported to be in talks about a possible licensing agreement related to the microprocessor devices.

However, Intel's suit, filed on Friday, attempts to block any such agreement between Chips & Technologies and third parties. Intel is seeking a temporary restraining order to prevent transfer of the microprocessor technology. It also asked for an injunction to prevent sale of the semiconductor devices and for unspecified damages in connection with the alleged patent violations.

Chips & Technologies rejected Intel's allegations. "Intel's lawsuit is a continuation of its policy to exert a monopoly over the microcomputer industry," said Mr Gordon Campbell, president and chief executive of Chips & Technologies.

Intel is also involved in intellectual property disputes with Advanced Micro Devices and other US chip-makers. Mr Campbell alleged the Intel suit was "an attempt to delay the adoption of our superior microprocessors by the computer industry."

"Because of our belief that Intel would misuse the legal process, Chips took extraordinary precautions in designing our microprocessor and co-processor products," Mr Campbell said. He claimed all Chips' products were designed from scratch and Chips' microprocessors and co-processors substantially outperform the equivalent Intel microprocessors.

"We will take whatever actions are necessary to strongly defend our intellectual property and our right to conduct business," Mr Campbell said.

Intel and Chips & Technologies are holding talks which began before Chips' introduction of its 386 microprocessor.

"During the course of these discussions both companies had agreed to standstill agreements. On Friday, Intel abruptly and without warning, filed this lawsuit and requested a temporary restraining order," said Mr Campbell.

Safren lifts first-half net profit and payout

By Philip Gawith in Johannesburg

IMPROVED cash management, a lower tax bill and a solid performance from hotel and leisure subsidiary Kersaf helped Safren, the South African diversified shipping, travel and leisure group, to lift net profit for the six months to December by 11 per cent.

Turnover rose by 9.3 per cent to R2.3bn and operating profit by 6.4 per cent to R337.8m ($119m). A lower tax charge, however, boosted attributable earnings by 11.1 per cent to R183.3m. Earnings per share rose to 248.3 cents from 224.5 cents, and the dividend was lifted to 65 cents a share from 60 cents.

Safren recorded a R63m extraordinary loss compared with a R30.3m profit a year earlier. This was the result of a R78.5m write-off on a 49 per cent stake in Compagnie Maritime Belge Transport (CMBT) taken by shipping arm Safmarine last year. Earnings after extraordinary items thus dropped to R70.3m from R150.3m.

Mr Buddy Hawton, chief executive, said the group knew at the time of purchase that CMBT was making substantial losses which would take three to four years to correct. Staff cuts and the closure and disposal of unprofitable operations had given rise to "material additional costs of a non-recurrent nature".

Mr Hawton said Safmarine had continued to experience reduced cargo volumes which were lower than at any time since the introduction of containerisation 15 years ago. Rennies, which is involved in travel, freight, cargo and marine services, and Kersaf, whose main investments are in hotels and casinos, had both performed satisfactorily.

Mr Hawton expected satisfactory results for the year, given current economic conditions. But he was more bullish on the longer term outlook,

Safren's shares are trading at R94, 110 per cent up on its price at the beginning of 1991.

Matsushita, AT&T in venture talks

By Steven Butler in Tokyo and Louise Kehoe in San Fancisco

MATSUSHITA Electric Industrial, Japan's biggest consumer electronics company, yesterday said it had entered talks with American Telephone and Telegraph (AT&T), the US telecommunications group, that could lead to a joint venture to develop pen-based portable computer systems.

The talks are the latest in a trend in which consumer electronics companies are joining forces with computer technology companies to develop products aimed at re-igniting growth in the industry, which has been suffering from a lack of new product successes.

Apple Computer is talking to both Sony and Sharp about possible joint product development. Intel, the world's leading microprocessor maker, has agreed with Sharp to develop flash memory devices, which could replace magnetic recording devices in a wide range of consumer and computer products.

While Matsushita, Sony and Sharp are hoping to gain technology and software capability, the computer companies are seeking partners that understand consumer products, that have efficient manufacturing capability, and effective distribution networks. The companies believe the market for portable, multi-function devices combining computer and audio visual technology is potentially huge, although all have maintained strict secrecy about products under development.

Matsushita also confirmed it was talking to Electronic Arts, a California-based computer game software developer, about joint development of video game equipment.

Matsushita said nothing had yet been agreed with either company, and it was talking to other companies about possible partnerships.

Matsushita said last week its consolidated pre-tax profits in the current fiscal year, ending this month, would fall by 43 per cent compared with last year.

Sony earlier said that its parent company would post its first full-year operating loss. Although the poor results at both companies reflect a downturn in the business cycle, they also result from the inability to stimulate consumer demand with the current product line-up.

The Nihon Keizai Shimbun, the Japanese business daily, said yesterday that Matsushita and AT&T were aiming to develop portable pen-based computer systems that would have a wireless communication function.

The devices would use an operating system developed by Go Corporation, a California-based software specialist, while Matsushita would provide liquid crystal display technology.

In the video-game market, Matsushita is considering taking an equity stake in San Mateo Software Group, which was established by Electronic Arts.

The aim would be to develop game and educational products using high-definition pictures, high-speed data processing, and compact disk read only memory.

Although Matsushita is not usually seen as a trailblazer in consumer electronics, it has tremendous marketing power and has been highly successful in the past at reading trends in consumer tastes, and developing profitable electronic devices.

SA Brewing makes headway

By Kevin Brown in Sydney

S.A. BREWING, the Australian liquor and industrial group, yesterday revealed an increase of 11.3 per cent in interim net profits to A$56m (US$42m) and forecast a similar improvement in the second half.

The Adelaide-based group said the improvement was caused by lower interest charges, cost-cutting, and the first full six-month contribution from Penfolds, the Australian wine-maker acquired last year.

Mr Ross Wilson, chief executive, said he believed the second-half result would be "similar," but declined to forecast full-year profits because of uncertainty over Australia's economic outlook.

"Providing economic conditions do not deteriorate further, S.A. Brewing Group is confident of continuing to provide an above-average return to shareholders," he declared.

Mr Wilson said the group had seen no signs of an end to Australia's recession. He added that it did not expect an upturn in domestic economic activity until the beginning of 1993.

However, he said the balance sheet was "healthy" following a reduction in debt from A$566m to A$522m. The group was looking a several possible acquisitions, but no decisions had been made.

The result, which was struck on a 7.8 per cent increase in sales to A$1.04bn, was within analysts' expectations following significant cost-cutting, notably within the appliances division.

The directors declared an unchanged interim dividend of 7.75 cents a share, fully franked.

The shares closed 1 cent higher at A$2.89 on the Australian Stock Exchange.

S African insurer 51% ahead at halfway

By Philip Gawith

A SUBSTANTIAL improvement on the underwriting account allowed Mutual and Federal (M&F), South Africa's largest short-term insurer, to increase after-tax profits by 51 per cent to R68.1m ($24m) for the half-year to end-December.

Gross premium income rose by R59m to R600m, while net premiums increased by 11 per cent to R506m. The underwriting surplus increased considerably to R25.6m compared with the R3.5m recorded at the interim stage in 1990. Investment income rose to R71m from R56m.

Earnings per share rose to 146 cents a share from 96 cents, and the interim dividend was lifted by 25 per cent to 25 cents per share.

Mr Ken Saggers, managing director, said the good results reflected the improved health of the short-term insurance industry which he attributed to more realistic rating policies. In 1990, the industry suffered unprecedented aggregate underwriting losses of about R250m. M&F's improved underwriting performance was the result of an absence of natural catastrophe payouts which in 1990 accounted for more than R20m at the interim stage.

Mr Saggers said the ongoing recession, and increasing theft, arson and fraud would continue to present the industry with a challenging operating environment.

● The short term activities of Commercial Union, the South African insurer in which Commercial Union of the UK is a large shareholder, also benefited from a turnround on the underwriting account in the year to December 1991.

Pre-tax profit rose to R58.9m from R27.3m, largely due to a R5.3m underwriting surplus compared with a R18.8m deficit in 1990.

Net income rose to R48.8m from R29.1m.

Earnings per share increased to 488.4 cents from 291.4, and the dividend was lifted by 35 per cent to 142 cents.

Mexican bank float draws $846m

By Damian Fraser in Mexico City

THE MEXICAN government has sold nearly 82 per cent of the equity in Banco Mexicano Somex, the country's sixth largest bank, for $846m, equivalent to 29 times last year's earnings, and a record 4.63 times book value.

A group of investors headed by Mr Eduardo Creel, the former Inverlat broker, and Mr Vicente Aristegui, the former Chrysler Mexico chief, paid $3.42 a share for a controlling 51 per cent at 5.2 book value.

The group has the option to buy a further 30.62 per cent of Series B stock at a lower price, which would bring total revenues from the privatisation to $846m.

Somex has assets of $5.38bn, and had profits last year of $36m. It has 329 branches across Mexico, less than half the number operated by Banamex, Mexico's largest bank.

The bank has had difficulties with poor loans and a high proportion of subsidised (and often non-performing) mortgage loans. Until now, it has not been considered one of the most attractive banks.

However, leading members of Mexico's financial community appear determined to buy a bank before it is too late, and in the ensuing competition have bid up the prices. Only six more banks remain in government hands, of which only one, Banco Internacional, has national coverage. The government hopes to have sold these banks by the middle of this year.

The second and third bids for Somex were at 4.15 and 3.73 book value respectively, greater or equal to the winning bids for the four largest banks already sold.

Argentina opens telecom float

By John Barham in Buenos Aires

ARGENTINA began yet another foray into the world equities market yesterday when the government kicked-off an international marketing campaign to sell its 30 per cent stake in Telecom Argentina, one of the country's two privatised telephone companies.

The sales offensive began in Paris and will end in San Francisco on March 14, a few days before the offer closes. The government has set a minimum price of $640m for the shares, but they are expected to fetch $800 to $900m.

Telecom was created in November 1990 when the national telephone network was privatised and split in two. Telecom, which operates in northern Argentina, is managed by the French and Italian state telephone companies.

The flotation is expected to repeat last December's successful sale of the government's 30 per cent stake in Telefonica de Argentina, which runs the phones in southern Argentina. It raised $850m for the government, due largely to strong demand in Argentina.

Half of Telecom's shares will be set aside for leading local and international investors who will set a sale price in a bidding process. One-quarter of the remaining shares are earmarked for large investors and another quarter for small local investors.

Telecom reported net profit of $52.3m on sales of $862.4m in 1991. It forecast sales this year of $1.2bn and has begun a five-year, $3.3bn investment programme. The company expects to raise annual sales to $2bn by 1996.

Boral down 28.5% at midterm

By Kevin Brown

BORAL, the Australian building products group, yesterday announced a 28.5 per cent cut in interim net profits to A$91m (US$68.4m) for the six months to December on sales down 7.7 per cent to A$1.9bn.

The group said trading had continued to be "subdued" in January and February. It added that the second-half result was unlikely to exceed the comparable period of last year, implying a significant fall in full-year profits.

Boral said the first half was adversely affected by an increase in the effective tax rate from 38 per cent to 42 per cent and a decline in demand for most of the group's products.

Australian operations are expected to benefit from infrastructure projects announced last week by the federal government as part of a package of measures intended to stimulate the economy.

However, the board said demand for materials for commercial building construction was expected to continue to decline for some time.

Economic recovery in the US was expected to be "modest," and there was little prospect of growth in the UK. The group said its businesses in both countries were hit by a low level of demand in the first half.

Boral's balance sheet remained strong in spite of the "difficult" economic background. However, bad debts remain a problem: the group wrote off A$8.3m in the six months, in addition to provisions for doubtful debts of A$9.9m. The board said the level of bad and doubtful debts was similar to the "historically high" level of the 1990-91 financial year.

The directors declared an interim dividend of 8 cents a share, fully franked, the same as the final dividend for the year to June 1991, but a 33 per cent reduction on the previous first half.

Sega acquires French game machine maker

By Steven Butler in Tokyo

SEGA Enterprises, Japan's leading maker of commercially-used games equipment, has agreed to buy WDK, the French games machine maker, for FFr9m ($1.63m), plus the assumption of undisclosed debt.

Sega last year purchased Deith Leisure, the UK games equipment company, and has set up a representative office in Spain. Sega also last year purchased the video games subsidiary of Richard Branson's Virgin Group for $60m.

The acquisition of WDK will give Sega a large opening into the European market since WDK will be installing about 220 machines in Euro Disneyland, which is to open next month. Sega is expecting first year revenue of over Y500m in the first year. WDK's annual sales are about FFr100m.

Stake in Israeli publisher sold

By Hugh Carnegy in Jerusalem

MR YA'ACOV Nimrodi, the Israeli businessman who last week bought the daily newspaper Ma'ariv from the administrator of Mr Robert Maxwell's Israeli assets, has sold on half his holding in a deal which gives a rival publisher a large stake in the company.

Mr Nimrodi, best known outside Israel as an arms dealer who was involved in the Iran-Contra affair, sold a 22 per cent stake in Ma'ariv Modi'in, publisher of Ma'ariv, for $8m to the Schocken family, which publishes the rival Ha'aretz and Hadashot daily papers.

The move, apparently unhindered by any media monopoly regulations, prompted speculation that the Schocken group was planning some rationalisation of Israel's crowded newspaper market in which a survey last week showed most titles were losing circulation.

The group had also been in negotiation with one of the losing bidders for Ma'ariv.

Another 22 per cent stake in Ma'ariv was sold by Mr Nimrodi to Mr Jack Lieberman, an Australian with established investments in Israel, and a local partner.

Mr Nimrodi paid $14.5m for Mr Maxwell's 87 per cent holding in Ma'ariv – significantly less than Arthur Andersen, the administrator, had originally hoped to raise.

Both the Schocken group and Mr Lieberman have also agreed to put up a proportional share of the $10m Mr Nimrodi pledged to inject into Ma'ariv to pay off bank debt.

First Pacific tumbles 21.2%

By Simon Davies in Hong Kong

FIRST Pacific, the Hong Kong distribution and telecommunications group, yesterday announced a 21.2 per cent decline in 1991 net earnings to HK$288.5m (US$38.1m) from HK$366m in 1990.

The company also said it had written off its investment in Internatio-Muller, a Rotterdam-based trading and transport group, in which First Pacific bought a 43.2 per cent interest last May.

First Pacific purchased the shares in an attempt to merge the company with Hagemeyer, a marketing and distribution subsidiary, but this was successfully blocked by the Internatio-Muller management.

The company said the decline in its profit resulted from significant losses at Metro Drug, its Philippines subsidiary and Tech Pacific, its Australian computer software company.

The contribution from banking declined due to the sale of its wholly-owned banking interests to 67 per cent-owned Hong Kong listing First Pacific Bancshares.

Cellular telephone operator Pacific Link showed strong growth, more than doubling its subscriber base in 1991, while Hagemeyer achieved record profits.

After extraordinary gains and losses associated with asset sales and the writing off of its Internatio-Muller stake, First Pacific made a gain of $115.1m.

Profit attributable to ordinary shareholders reached $358.5m, up 17.2 per cent from 1990, after the disposal of a number of investments.

The company said it was positioned for a strong profit recovery in 1992. It announced a final dividend of 5 cents, maintaining the total for the year at 8 cents a share.

Reliance Industries in merger with associate

By David Housego in New Delhi

RELIANCE Industries, the Indian textile and petrochemicals group controlled by Mr Dhirubhai Ambani, and Reliance Petrochemicals (RPL), its associate, have merged, creating the largest private sector corporation in India.

The merger, which took effect from March 1, is intended to give Reliance more leverage to raise funds from the capital markets and to create a group to rank in the world's top 500 companies.

In deciding to merge the two companies, the Ambani family which controls both, have taken advantage of the recent lifting of controls that put limits on the size of Indian companies – and hence their ability to compete internationally.

Under agreed merger terms, 10 RPL shares are to be exchanged for one Reliance Industries share. Reliance Industries holds 21 per cent of RPL. Reliance Industries reported Rs20.9bn ($798m) sales last year and Rs1.2bn of pre-tax profits. RPL, a new company established as greenfield downstream petrochemicals company, is to report sales and profit figures for the first time this year.

Kleinwort Benson estimates that consolidated sales of Reliance could leap to Rs42bn in financial 1993 and pre-tax profits climb to Rs4.7bn ($179m) as major new investments come onstream.

In combining the two companies, Reliance believes it will be in a stronger position to raise further funds from the capital markets. RPL's petrochemical complex at Hazira is costing Rs15bn – almost double original estimates. Reliance says a gas cracker due to be completed at Hazira will cost Rs12bn – though outside estimates put it much higher.

Travelers reviews strategies

By Nikki Tait in New York

TRAVELERS Corporation, the large US insurer, has said that it is still looking at ways of improving its capital position.

The company has been hit by property-related losses, and has already cut dividends to preserve capital.

In a filing with the Securities and Exchange Commission, Travelers said the strategies might include offerings of securities to one or more investors; divestitures and investments in Travelers or certain of its subsidiaries.

Travelers, however, said this process had been going on since 1989 and there was no guarantee that such actions would go ahead.

Assets have already been sold – including Dillon Read, the investment banking business, last November. For 1991 Travelers unveiled improved results, with the group posting a $318m net profit compared with a $178m loss in 1990.

This announcement appears as a matter of record only.

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U.S. $20,600,000
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Managers
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Berliner Bank
Aktiengesellschaft
Den Danske Bank
Aktieselskab
Swiss Volksbank

February 1992

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KORFEZBANK

U.S. $24,400,000
Term Loan Facility

Arranged by
International Finance Corporation
NMB Postbank Group

U.S. $8,000,000
Four-year tranche
Provided by
International Finance Corporation

U.S. $16,400,000
Two-year tranche
Provided through participations in the IFC loan by

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Crédit Suisse
Die Erste Österreichische Spar-Casse-Bank
First Austrian Bank
Kredietbank N.V. Dublin Branch

Managers
ASLK-CGER Bank
Berliner Bank
Aktiengesellschaft
Den Danske Bank
Aktieselskab
Swiss Volksbank

February 1992

FT GUIDE TO WORLD CURRENCIES

The table below gives the latest available rates of exchange (rounded) against four key currencies on Monday, March 2, 1992. In some cases the rate is nominal. Market rates are the average of buying and selling rates except where they are shown to be otherwise. In some cases market rates have been calculated from those of foreign currencies to which they are tied.

COUNTRY		£ STG	US $	D-MARK	YEN (X 100)
Afghanistan	(Afghani)	99.25	56.5365	34.4618	43.6263
Albania	(Lek)	87.70(1)	49.9572	30.4513	38.5494
Algeria	(Dinar)	38.8160	22.111	13.4777	17.0619
Andorra	(Fr Fr)	9.7925	5.5781	3.4001	4.3043
	(Sp Peseta)	181.15	103.19	62.8993	79.6263
Angola	(Kwanza)	320.55	182.598	111.302	140.901
Antigua	(E Carr $)	4.7360	2.6978	1.6444	2.0817
Argentina	(Peso)	1.7430	0.9928	0.6052	0.7661
Aruba	(Florin)	3.1395	1.7883	1.0901	1.38
Australia	(Aus $)	2.3295	1.3269	0.8088	1.0239
Austria	(Schilling)	20.265	11.5437	7.0364	8.9076
Azores	(Port Escudo)	247.95	141.242	86.0937	108.989
Bahamas	(Bahama $)	1.7555	1	0.6095	0.7716
Bahrain	(Dinar)	0.6605	0.3762	0.2293	0.2903
Balearic Is	(Sp Peseta)	181.15	103.19	62.8993	79.6263
Bangladesh	(Taka)	66.45	37.8524	23.0729	29.2087
Barbados	(Barb $)	3.5280	2.0096	1.225	1.5507
Belgium	(Belg Fr)	59.40	33.8365	20.625	26.1098
Belize	(B $)	3.5080	1.9982	1.218	1.5419
Benin	(CFA Fr)	489.625	278.909	170.009	215.22
Bermuda	(Bermudian $)	1.7555	1	0.6095	0.7716
Bhutan	(Ngultrum)	45.95	26.1748	15.9548	20.1978
Bolivia	(Boliviano)	6.6390	3.7818	2.3052	2.9182
Botswana	(Pula)	3.7625	2.1432	1.3064	1.6538
Brazil	(Cruzeiro)	2869.20	1634.41	996.25	1261.19
Brunei	(Brunei $)	2.8855	1.6436	1.0019	1.2683
Bulgaria	(Lev)	32.24	18.3651	11.1944	14.1714
Burkino Faso	(CFA Fr)	489.625	278.909	170.009	215.22
Burma	(Kyat)	10.7573	6.1277	3.7351	4.7284
Burundi	(Burundi Fr)	347.25	197.807	120.573	152.637
Cambodia	(Riel)	1315.50	749.359	456.771	578.242
Cameroon	(CFA Fr)	489.625	278.909	170.009	215.22
Canada	(Canadian $)	2.0740	1.1814	0.7201	0.9116
Canary Is	(Sp Peseta)	181.15	103.19	62.8993	79.6263
Cp. Verde	(CV Escudo)	122.75	69.923	42.6215	53.956
Cayman Is	(CI $)	1.4560	0.8293	0.5055	0.64
Cent. Afr. Rep	(CFA Fr)	489.625	278.909	170.009	215.22
Chad	(CFA Fr)	489.625	278.909	170.009	215.22
Chile	(Chilean Peso)	611.25	348.191	212.24	268.681
China	(Renminbi Yuan)	9.5840	5.4594	3.3277	4.2127
Colombia	(Col Peso)	1095.70	624.153	380.451	481.626
Comoros	(CFA Fr)	489.625	278.909	170.009	215.22
Congo (Brazz)	(CFA Fr)	489.625	278.909	170.009	215.22
Costa Rica	(Colon)	243.10	138.479	84.4097	106.857
Côte d'Ivoire	(CFA Fr)	489.625	278.909	170.009	215.22
Cuba	(Cuban Peso)	1.3285	0.7567	0.4612	0.5839
Cyprus	(Cyprus £)	0.8090	0.4608	0.2809	0.3556
Czechoslovakia	(Koruna)	50.77c	28.9205	17.6284	22.3164
		48.94t	27.878	16.993	21.512
Denmark	(Danish Kroner)	11.1700	6.3628	3.8784	4.9098
Djibouti Rep	(Djib Fr)	311.00	177.158	107.986	136.703
Dominica	(E Carrib $)	4.7360	2.6978	1.6444	2.0817
Dominican Rep	(D Peso)	22.3110	12.7091	7.7468	9.807
Ecuador	(Sucre)	2285.60o	1301.97	793.611	1004.66
		2351.15a	1339.31	816.372	1033.47
Egypt	(Egyptian £)	5.8100	3.3095	2.0173	2.5538
El Salvador	(Colon)	14.0945	8.0287	4.8939	6.1953
Equat'l Guinea	(CFA Fr)	489.625	278.909	170.009	215.22
Ethiopia	(Ethiopian Birr)	3.6015	2.0515	1.2505	1.583
Falkland Is	(Falk £)	1.00	0.5696	0.3472	0.4395
Faroe Is	(Danish Kroner)	11.1700	6.3628	3.8784	4.9098
Fiji Is	(Fiji $)	2.6200	1.4924	0.9097	1.1516
Finland	(Markka)	7.8650	4.4802	2.7309	3.4571
France	(Fr)	9.7925	5.5781	3.4001	4.3043
Fr. Cty/Africa	(CFA Fr)	489.625	278.909	170.009	215.22
Fr. Guiana	(Local Fr)	9.7925	5.5781	3.4001	4.3043
Fr. Pacific Is	(CFP Fr)	176.70	100.655	61.3541	77.6703
Gabon	(CFA Fr)	489.625	278.909	170.009	215.22
Gambia	(Dalasi)	15.5930	8.8823	5.4142	6.854
Germany	(D-Mark)	2.8800	1.6405	1	1.2659

COUNTRY		£ STG	US $	D-MARK	YEN (X 100)
Ghana	(Cedi)	682.10	388.55	236.84	299.824
Gibraltar	(Gib £)	1.00	0.5696	0.3472	0.4395
Greece	(Drachma)	331.325	188.735	115.043	145.637
Greenland	(Danish Krone)	11.1700	6.3628	3.8784	4.9098
Grenada	(E Carr $)	4.7360	2.6978	1.6444	2.0817
Guadaloupe	(Local Fr)	9.7925	5.5781	3.4001	4.3043
Guam	(US $)	1.7555	1	0.6095	0.7716
Guatemala	(Quetzal)	8.9225	5.0825	3.098	3.9219
Guinea	(Fr)	1424.75	811.592	494.705	626.264
Guinea-Bissau	(Peso)	8770.00	4995.73	3045.14	3854.95
Guyana	(Guyanese $)	212.70	121.162	73.8541	93.4945
Haiti	(Goude)	8.7700	5	3.0451	3.8549
Honduras	(Lempira)	9.5765	5.4551	3.3251	4.2094
Hong Kong	(HK $)	13.6430	7.7715	4.7371	5.9969
Hungary	(Forint)	137.15	78.1258	47.6215	60.2857
Iceland	(Icelandic Krona)	102.75	58.5303	35.677	45.1648
India	(Indian Rupee)	45.95	26.1748	15.9548	20.1978
Indonesia	(Rupiah)	3529.70	2010.65	1225.59	1551.52
Iran	(Rial)	2509.0v	1429.22	871.181	1102.86
		116.25o	66.2204	40.3645	51.0989
Iraq	(Iraqi Dinar)	0.5936	0.3381	0.2061	0.2609
Irish Rep	(Punt)	1.0795	0.6149	0.3748	0.4745
Israel	(Shekel)	4.1300	2.3526	1.434	1.8153
Italy	(Lira)	2161.00	1230.99	750.347	949.89
Jamaica	(Jamaican $)	36.0975	20.5625	12.5338	15.867
Japan	(Yen)	227.50	129.593	78.993	100
Jordan	(Jordanian Dinar)	1.1795	0.6718	0.4095	0.5184
Kenya	(Kenya Shilling)	51.5675	29.3748	17.9053	22.667
Kiribati	(Australian $)	2.3295	1.3269	0.8088	1.0239
Korea North	(Won)	1.7015	0.9692	0.5907	0.7479
Korea South	(Won)	1344.90	766.107	466.979	591.165
Kuwait	(Kuwaiti Dinar)	0.5175	0.2947	0.1796	0.2274
Laos	(New Kip)	1236.55	704.386	429.358	543.538
Lebanon	(Lebanese £)	1930.20	1099.52	670.208	848.44
Lesotho	(Maluti)	5.0060	2.8516	1.7381	2.2004
Liberia	(Liberian $)	1.7555	1	0.6095	0.7716
Libya	(Libyan Dinar)	0.4910	0.2796	0.1704	0.2158
Liechenstein	(Swiss Fr)	2.6125	1.4881	0.9071	1.1483
Luxembourg	(Lux Fr)	59.40	33.8365	20.625	26.1098
Macao	(Pataca)	14.0640	8.0113	4.8833	6.1819
Madagascar	(MG Fr)	3134.40	1785.47	1088.33	1377.76
Madeira	(Port Escudo)	247.95	141.242	86.0937	108.989
Malawi	(Kwacha)	4.8235	2.7476	1.6748	2.1202
Malaysia	(Ringgit)	4.5345	2.583	1.5744	1.9931
Maldive Is	(Rufiya)	18.5680	10.577	6.4472	8.1617
Mali Rep	(CFA Fr)	489.625	278.909	170.009	215.22
Malta	(Maltese £)	0.5635	0.3209	0.1956	0.2476
Martinique	(Local Fr)	9.7925	5.5781	3.4001	4.3043
Mauritania	(Ouguiya)	142.85	81.3728	49.6006	62.7912
Mauritius	(Maur Rupee)	27.6850	15.7704	9.6128	12.1692
Mexico	(Mexican Peso)	5318.10	3029.39	1846.56	2337.63
Miquelon	(Local Fr)	9.7925	5.5781	3.4001	4.3043
Monaco	(French Fr)	9.7925	5.5781	3.4001	4.3043
Mongolia	(Tugrik)	73.6680	41.9641	25.5791	32.3815
Montserrat	(E Carr $)	4.7360	2.6978	1.6444	2.0817
Morocco	(Dirham)	14.90	8.4876	5.1736	6.5494
Mozambique	(Metical)	3394.95	1933.89	1178.8	1492.29
Namibia	(S A Rand)	5.0060	2.8516	1.7381	2.2004
Nauru Is	(Australian $)	2.3295	1.3269	0.8088	1.0239
Nepal	(Nepalese Rupee)	74.8960	42.6636	26.0055	32.9213
Netherlands	(Guilder)	3.2425	1.847	1.1258	1.4252
N'nd Antilles	(A/Guilder)	3.1395	1.7883	1.0901	1.38
New Zealand	(NZ $)	3.2140	1.8308	1.1159	1.4127
Nicaragua	(Gold Cordoba)	8.7700	4.9957	3.0451	3.8549
Niger Rep	(CFA Fr)	489.625	278.909	170.009	215.22
Nigeria	(Naira)	18.4170	10.491	6.3947	8.0953
Norway	(Nor. Krone)	11.3100	6.4426	3.927	4.9714
Oman	(Rial Omani)	0.6745	0.3842	0.2342	0.2964

COUNTRY		£ STG	US $	D-MARK	YEN (X 100)
Pakistan	(Pak. Rupee)	43.20	24.6083	15	18.989
Panama	(Balboa)	1.7555	1	0.6095	0.7716
Papua New Guinea	(Kina)	1.6815	0.9578	0.5838	0.7391
Paraguay	(Guarani)	2493.50	1420.39	865.799	1096.04
Peru	(New Sol)	1.6900	0.9626	0.5868	0.7428
Philippines	(Peso)	44.30	25.2349	15.3819	19.4725
Pitcairn Is	(£ Sterling)	1.00	0.5696	0.3472	0.4395
	(NZ $)	3.2140	1.8308	1.1159	1.4127
Poland	(Zloty)	23269.0(2)	13254.9	8079.51	10228.1
Portugal	(Escudo)	247.95	141.242	86.0937	108.989
Puerto Rico	(US $)	1.7555	1	0.6095	0.7716
Qatar	(Riyal)	6.3365	3.6095	2.2001	2.7852
Reunion Is. de la	(F/Fr)	9.7925	5.5781	3.4001	4.3043
Romania	(Leu)	347.96q	198.211	120.819	152.949
Rwanda	(Fr)	219.59	125.087	76.2465	96.523
St Christopher	(E Carr $)	4.7360	2.6978	1.6444	2.0817
St Helena	(£)	1.00	0.5696	0.3472	0.4395
St Lucia	(E Carr $)	4.7360	2.6978	1.6444	2.0817
St Pierre	(French Fr)	9.7925	5.5781	3.4001	4.3043
St Vincent	(E Carr $)	4.7360	2.6978	1.6444	2.0817
San Marino	(Italian Lira)	2161.00	1230.99	750.347	949.89
Sao Tome	(Dobra)	420.95	239.789	146.163	185.033
Saudi Arabia	(Riyal)	6.5705	3.7428	2.2814	2.8881
Senegal	(CFA Fr)	489.625	278.909	170.009	215.22
Seychelles	(Rupee)	9.1250	5.1979	3.1684	4.0109
Sierra Leone	(Leone)	754.20	429.621	261.875	331.516
Singapore	($)	2.8855	1.6436	1.0019	1.2683
Solomon Is	($)	4.9970	2.8464	1.735	2.1964
Somali Rep	(Shilling)	4595.50	2617.77	1595.66	2020
South Africa	(Rand)	5.0060c	2.8516	1.7381	2.2004
		6.4580g	3.6787	2.2423	2.8386
Spain	(Peseta)	181.15	103.19	62.8993	79.6263
Spanish Ports in N Africa	(Sp Peseta)	181.15	103.19	62.8993	79.6263
Sri Lanka	(Rupee)	75.35	42.9222	26.1631	33.1208
Sudan Rep	(£)	157.85c	89.9174	54.809	69.3846
Surinam	(Guilder)	3.1310	1.7835	1.0871	1.3762
Swaziland	(Lilangeni)	5.0060	2.8516	1.7381	2.2004
Sweden	(Krona)	10.4625	5.9598	3.6328	4.5989
Switzerland	(Fr)	2.6125	1.4881	0.9071	1.1483
Syria	(£)	35.5185	20.2326	12.3328	15.6125
Taiwan	($)	44.075	25.1068	15.3038	19.3736
Tanzania	(Shilling)	413.95	235.802	143.733	181.956
Thailand	(Baht)	44.80	25.5197	15.5555	19.6923
Togo Rep	(CFA Fr)	489.625	278.909	170.009	215.22
Tonga Is	(Pa Anga)	2.3295	1.3269	0.8088	1.0239
Trinidad/Tobago	($)	7.4545	4.2463	2.5883	3.2767
Tunisia	(Dinar)	1.6190	0.9222	0.5621	0.7116
Turkey	(Lira)	10318.10	5877.58	3582.67	4535.43
Turks & Caicos	(US $)	1.7555	1	0.6095	0.7716
Tuvalu	(Australian $)	2.3295	1.3269	0.8088	1.0239
Uganda	(New Shilling)	1737.55	989.775	603.316	763.758
U A E	(Dirham)	6.4345	3.6653	2.2342	2.8283
United Kingdom	(£)	1.00	0.5696	0.3472	0.4395
United States	(US $)	1.7555	1	0.6095	0.7716
Uruguay	(Peso)	4693.45	2673.57	1629.67	2063.05
USSR	(Rouble)	1.0086o	0.5745	0.3502	0.4433
		156.11m	88.9262	54.2048	68.6197
Vanuatu	(Vatu)	197.80	112.674	68.6805	86.945
Vatican	(Lira)	2161.00	1230.99	750.347	949.89
Venezuela	(Bolivar)	106.55	60.6949	36.9965	46.8351
Vietnam	(Dong)	19820.20	11290.3	6882.01	8712.18
Virgin Is-British	(US $)	1.7555	1	0.6095	0.7716
Virgin Is-US	(US $)	1.7555	1	0.6095	0.7716
Western Samoa	(Tala)	4.2370	2.4135	1.4711	1.8624
Yemen (Rep of)	(Rial)	22.7145	12.939	7.8869	9.9843
Yemen (Rep of)	(Dinar)	0.8155	0.4645	0.2831	0.3584
Yugoslavia	(Dinar)	242.80	138.308	84.3055	106.725
Zaire Rep	(Zaire)	197167.0	112314	68460.8	86666.8
Zambia	(Kwacha)	215.30	122.643	74.7569	94.6373
Zimbabwe	($)	8.8885	5.0632	3.0862	3.907

Special Drawing Rights February 28 1992 United Kingdom £0.784608 United States $1.38091 Germany D Mark 2.26165 Japan Yen178.524
European Currency Unit Rates March 2 1992 United Kingdom £0.711201 United States $1.25072 Germany D Mark 2.04467 Japan Yen162.031

Abbreviations: (a) Free rate; (b) Banknote rate; (c) Commercial rate; (d) Controlled rate; (e) Essential imports; (g) Financial rate; (h) Exports; (i) Non commercial rate; (j) Business rate; (k) Buying rate; (l) Luxury goods; (m) Market rate; (n) Public transaction rate; (o) Official rate; (p) preferential rate; (q) convertible rate; (r) parallel rate; (s) Selling rate; (t) Tourist rate (u) Currencies fixed against the US Dollar (v) Floating rate; (1) Albanian Lek devalued. (2) Polish Zloty devalued by 12% on 26/2.
Some data supplied by Bank of America, Economics Department, London Trading Centre. Enquiries: 071 634 4360/5.
Monday, March 2, 1992

Only one airline flies daily non-stop from London, Paris and Frankfurt to Tokyo.

JAL Japan Airlines
A WORLD OF COMFORT

WEST RAND CONSOLIDATED MINES LIMITED
(Incorporated in the Republic of South Africa)
Company Registration No: 01/01978/06

COUPON NO: 117
(DIVIDEND NO: 117)

HOLDERS OF SHARE WARRANTS TO BEARER are informed that they will, on or after 13 March 1992, be paid 3.39145p per share, viz 3.98994p the amount declared per share, less 0.59849p being South African non-resident shareholders' tax of 15% against surrender of Coupon No: 117. Coupons must be deposited for FOUR CLEAR DAYS for inspection before payment will be made:

In London at Gencor (U.K.) Limited, 30 Ely Place, London EC1N 6UA
In Paris at Crédit du Nord
In Basle at Swiss Bank Corporation
In Zürich at Crédit Suisse

Coupons belonging to holders resident in Great Britain and Northern Ireland will be paid as follows:

	Pence
Amount of dividend after deduction of South African non-resident shareholders' tax of 15%	3.39145
Less United Kingdom Income Tax of 10% on the Gross Amount of the dividend of 3.98994p	0.39899
	2.99246

Listing forms can be obtained from the office of the London Secretaries.

per pro GENCOR (U.K.) LIMITED
London Secretaries
L J Baines

3 March 1992

Note:
Under the double tax agreement between the United Kingdom and the Republic of South Africa, the South African non-resident shareholders' tax applicable to the dividend is allowable as a credit against the United Kingdom tax payable in respect of the dividend. The deduction of tax at the reduced rate of 10% instead of at the basic rate of 25% represents an allowance of credit at the rate of 15%.

Nationwide
£150,000,000
Floating rate notes due 1993
Notice is hereby given that the notes will bear interest at 10 11/32% per annum from 28 February, 1992 to 28 May, 1992. Interest payable on 28 May, 1992 will amount to £255.89 per £10,000.
Nationwide Building Society
Agent: Morgan Guaranty Trust Company
JPMorgan

WOOLWICH
- Building Society -
£33,000,000
Subordinated floating rate notes due 2001
Notice is hereby given that the notes will bear interest at 11.35% per annum from 28 February, 1992 to 28 August, 1992. Interest payable on 28 August, 1992 will amount to £5,643.99 per £100,000 note.
Agent: Morgan Guaranty Trust Company
JPMorgan

SOCIETE GENERALE
JPY 3,500,000,000 7 1/2% VARIABLE REDEMPTION AMOUNT NOTES DUE 1994
Notice is hereby given that in accordance with the Terms and Conditions of the Notes, the Issuer has elected to redeem all of the outstanding Notes in the aggregate principal amount of JPY 3,500,000,000 on April 17, 1992 at their Redemption Amount calculated by "Banque Indosuez New York Branch" as Calculation Agent in accordance with condition 4 "Redemption and Purchase" (e) "The Redemption Amount".
The Notes should be presented and surrendered for payment together with coupons due April 17, 1993 and subsequent attached.
On and after April 17, 1992 the Notes will no longer be outstanding and interest thereon shall cease to accrue.
THE FISCAL AGENT, SOGENAL
SOCIETE GENERALE GROUP
15, AVENUE EMILE REUTER
LUXEMBOURG

BRADFORD & BINGLEY BUILDING SOCIETY
£150,000,000
Floating Rate Notes Due 1994
In accordance with the terms and conditions of the Notes, notice is hereby given that for the three month interest period from (and including) 28th February 1992 to (but excluding) 29th May 1992 the Notes will carry a rate of interest of 10¼ per cent. per annum. The relevant interest payment date will be 29th May 1992. The coupon amount per £10,000 will be £259.51 payable against surrender of Coupon No: 12.
Hambros Bank Limited
Agent Bank

Appointments Advertising
appears every
Wednesday & Thursday
Friday
(in the international edition only)

FGF (BERMUDA) LTD
US$ 15,000,000
FLOATING RATE NOTES DUE 1999
Notice is hereby given that for the interest period from 2 March 1992 to 1 September 1992 the notes will carry an interest rate of 4.575% per annum.
CHEMICAL BANK
Agent Bank

3i International B.V.
(Formerly known as Investors in Industry International B.V.)
£125,000,000
GUARANTEED FLOATING RATE NOTES 1994
FOR THE THREE MONTH PERIOD 28TH FEBRUARY, 1992 TO 29TH MAY, 1992
In accordance with the provisions of the Notes, notice is hereby given that the rate of interest has been fixed at 10½ per cent. per annum and that the interest payable on the relevant interest payment date, 29th May, 1992 against Coupon No. 18 will be £261.07 from Notes of £10,000 nominal and £26.11 from Notes of £1,000 nominal.
S.G. WARBURG & CO. LTD.
(Agent Bank)

NICS, EUROPE AND INCOME FUND
Société d'Investissement à Capital Variable
10A, Boulevard Royal, Luxembourg
R.C. Luxembourg B 26.498
NOTICE TO THE SHAREHOLDERS OF NICS, EUROPE AND INCOME FUND
The shareholders of NICs, EUROPE AND INCOME FUND are advised that the 3rd paragraph of the notice to shareholders published on 30th December, 1991 should read as follows:
"Similarly shares will be repurchased at the net asset value determined on the day of receipt of the application for repurchase. Such application must be received at the registered office of NICs, EUROPE AND INCOME FUND at 10 a.m. Luxembourg time."
By Order of the Board of Directors,
General Manager

Mortgage Funding Corporation No 2 Plc
£115,000,000 Class B-1
£11,000,000 Class B-2
Mortgage backed floating rate notes August 2023
For the interest period 28 February, 1992 to 29 May, 1992 the Class B-1 notes will bear interest at 10.70% per annum. Interest payable on 29 May, 1992 will amount to £2,660.38 per £100,000 note. The Class B-2 notes will bear interest at 10.875% per annum. Interest payable on 29 May, 1992 will amount to £2,703.89 per £100,000 note.
Agent: Morgan Guaranty Trust Company
JPMorgan

INTERNATIONAL SPECIALITY FUND
Société d'Investissement à Capital Variable
10A, Boulevard Royal, Luxembourg
R.C. Luxembourg B 24.564
NOTICE TO THE SHAREHOLDERS OF INTERNATIONAL SPECIALITY FUND
The shareholders of INTERNATIONAL SPECIALITY FUND are advised that the 3rd paragraph of the notice to shareholders published on 30th December, 1991 should read as follows:
"Similarly shares will be repurchased at the net asset value determined on the day of receipt of the application for repurchase. Such application must be received at the registered office of INTERNATIONAL SPECIALITY FUND at 10 a.m. Luxembourg time."
By Order of the Board of Directors,
General Manager

CB FUND INTERNATIONAL
Société d'Investissement à Capital Variable
10A, Boulevard Royal, Luxembourg
R.C. Luxembourg B 21.603
RECTIFIED NOTICE TO THE SHAREHOLDERS OF CB FUND INTERNATIONAL
The third paragraph of the Notice to the Shareholders of CB FUND INTERNATIONAL published on 30th December, 1991 should read as follows:
"Similarly shares will be repurchased at the net asset value determined on the day of receipt of the application for repurchase. Such application must be received at the registered office of CB FUND INTERNATIONAL at 10 a.m. Luxembourg time."
...der of the Board of Directors

KONINKLIJKE WESSANEN NV
Koninklijke Wessanen N.V., hereby announces that at the offices of the company, Prof. E.M. Meijerslaan 2 in Amstelveen, Holland, a written notice as mentioned in section 9, paragraph 2 of the Major Holdings in Listed Companies Disclosure Act is available for the public.

INTERNATIONAL CAPITAL MARKETS

Treasuries fall sharply on rise in US business index

By Patrick Harverson in New York and Sara Webb in London

A MUCH bigger-than-expected rise in the National Association of Purchasing Management's index of business activity sent Treasury prices plunging yesterday across the maturity range.

In late trading, the benchmark 30-year government bond was down 1¼ at 101⅛, yielding 7.897 per cent. The two-year note was also markedly weaker, down ⅜ at 99¾, yielding 5.426 per cent. The price movements flattened the yield curve, narrowing the spread between the yields on the two-year note and 30-year bond from 255 basis points to 247 basis points.

Prices held their own at the opening, but nose-dived after the NAPM announced that its February index had risen from 47.4 per cent to 52.4 per cent, an indication that the manufacturing sector of industry expanded last month.

The rise in the index was way above market forecasts, which even at the most bullish end had expected that the figure would remain below 50 per cent, and prompted many dealers to start liquidating long positions built up during last week's short-lived rally.

The big rise in the index deflated hopes for another interest rate cut, and backed up arguments by Federal Reserve officials that the economic recovery was underway.

BENCHMARK GOVERNMENT BONDS

		Coupon	Red Date	Price	Change	Yield	Week ago	Month ago
AUSTRALIA		10.000	10/02	99.6562	-	10.06	10.08	10.12
BELGIUM		9.000	06/01	102.2000	-0.050	8.63	8.74	8.62
CANADA *		8.500	04/02	100.1800	-1.050	8.48	8.50	8.36
DENMARK		9.000	11/00	102.4500	-0.420	8.57	8.60	8.50
FRANCE	BTAN	8.500	03/97	98.1974	-0.038	8.89	8.76	8.61
	OAT	8.500	11/02	100.4700	+0.015	8.42	8.51	8.38
GERMANY		8.000	01/02	101.1500	-	7.82	7.93	7.88
ITALY		12.000	02/02	99.1500	-0.010	12.15†	12.22	12.24
JAPAN	No 119	4.800	06/99	95.2359	-0.122	5.72	5.71	5.67
	No 129	6.400	03/00	105.6119	-0.209	5.40	5.40	5.34
NETHERLANDS		8.250	02/02	100.3500	-0.040	8.19	8.32	8.35
SPAIN		11.300	01/02	103.8500	-0.090	10.66	10.75	10.82
UK GILTS		10.000	11/96	102-03	-04/32	9.43	9.46	9.59
		9.750	08/02	102-31	-05/32	9.30	9.34	9.41
		9.000	10/08	98-27	-07/32	9.13	9.15	9.19
US TREASURY *		7.500	11/01	100-24	-30/32	7.39	7.45	7.30
		8.000	11/21	101-01	-43/32	7.91	7.96	7.79

London closing. *New York closing. Yields: Local market standard
† Gross (including withholding tax at 12.5 per cent payable by non-residents.)
Prices: US, UK in 32nds, others in decimal. Technical Data/ATLAS Price Sources

GOVERNMENT BONDS

■ UK government bond prices fell by as much as a quarter of a percentage point yesterday as hopes of an imminent cut in the base rate began to fade.

The benchmark 11¾ per cent gilt fell from 116½ to 116⅛, while the Liffe gilt futures contract moved in a range of 97.31 to 98.08, trading at 98.03 by late afternoon, down from the opening of 98.07.

The market expects the Bank of England to announce further gilt issues this week now that its £1.25bn tap is exhausted, with short-dated issues the favourite candidates.

■ German government bonds drifted lower yesterday in thin trade, following the US market's weakness. Traders said the low volumes are due to the Carnival holiday, but added that in the absence of significant economic data, the market is waiting for progress in the wage negotiations.

The Liffe bund futures contract opened at 88.26 and traded in a range of 88.12 to 88.28 on a volume of about 27,000 contracts which is well below the daily average.

■ Japanese government bonds ended the day lower on light volumes as participants wait for signs of an easing in monetary policy.

Traders said that in the short-term attention would focus on the Bank of Japan's quarterly "Tankan" survey of business sentiment and on the US employment figures – due to be released on Friday.

The Tankan is expected to show that economic growth is slowing down. However, dealers believe that the Bank of Japan is unlikely to cut the official discount rate until next week at the earliest as the central bank governor, Mr Yasushi Mieno, will be out of the country from March 5 to March 11. Meanwhile, dealers expect government debt to trade in a narrow range.

The benchmark No 129 issue opened with a yield of 5.365 per cent and ended at 5.395 per cent on a volume of about Y230bn, well below average.

Dutch market shows top February gains

DUTCH government bonds outperformed other government bond markets last month, helped by better-than-expected inflation figures and the prospect of lower levels of issuance during the rest of the year, writes Sara Webb.

J.P. Morgan's government bond figures for February show Dutch state bonds gaining 1.4 per cent in local currency terms, with the 10-year yield spread over German government bonds narrowing by over 10 basis points.

The Dutch Treasury completed about one-third of its annual borrowing needs in January, so worries about future levels of supply have diminished.

Hopes of a cut in interest rates boosted UK government bond prices, which gained 1.38 per cent in February and 4.04 per cent since the start of the year, making gilts the top-performing bonds so far this year.

Japan was the worst-performing bond market last month, gaining only 0.21 per cent in yen terms and falling 2.58 per cent in US dollar terms.

Australia was the top-performing bond market last month in US dollar terms. The market was helped by a slight strengthening of the Australian dollar against the US currency due to budget uncertainty.

Australian bonds gained 1.16 per cent, although since the start of the year they have fallen by 2.98 per cent.

FT/ISMA INTERNATIONAL BOND SERVICE

Listed are the latest international bonds for which there is an adequate secondary market. Closing prices on March 2

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Chg. day	Yield
ABN 9 1/8 94	200	105¼	106¼	+¼	6.56
ALBERTA PROVINCE 9 3/8 95	600	108	108½	-⅛	6.80
AUSTRIA 8 1/2 00	400	105¾	106¼		7.53
BANK OF TOKYO 8 3/8 96	100	103¾	104¼	+¼	7.24
BELGIUM 9 5/8 98	250	110¼	110¾		7.52
BFCE 7 3/4 97	150	102¾	103	+¼	7.17
BNP 8 5/8 94	300	105¼	106¼		5.97
BRITISH GAS 8 3/8 99	350	104¼	104¾	-⅛	7.62
CANADA 9 96	1000	107¾	108¼	-⅛	6.68
CARCO 9 1/4 96	650	102¾	103¼	+⅛	8.42
CCCE 9 1/4 95	300	107¾	108¼		6.33
COUNCIL EUROPE 8 96	100	103½	104¼	-⅛	7.03
CREDIT FONCIER 9 1/2 99	300	110¼	111		7.49
DENMARK 8 1/4 94	150	104¼	105¼	-⅛	6.08
DENMARK 9 1/4 95	1571	107¾	107¾		6.42
ECSC 8 1/4 96	193	104¾	105¼		7.06
EEC 8 1/4 96	100	104¼	105¼		6.99
EIB 7 3/4 96	250	103	103½	-⅛	6.91
EIB 9 1/4 97	1000	109	109½	-⅛	7.25
ELEC DE FRANCE 9 98	200	107¼	107¾		7.44
EURO CRED CARD TST 9 94	325	103¾	104¾	-⅛	7.29
EUROFIMA 9 1/4 96	100	107¼	108¼		7.08
EXPORT DEV CORP 9 1/2 98	150	109¾	110¼	-⅛	7.50
FINLAND 7 7/8 97	200	101¾	102¼	-⅛	7.40
FINNISH EXPORT 9 3/8 95	200	107¼	108	-⅛	6.95
FORD CAPITAL 9 3/4 97	250	106¼	106¾		8.22
GEN ELEC CAPITAL 9 3/8 96	300	108	108½	-⅛	7.12
GMAC 9 1/8 96	200	104¾	105¼	-⅛	7.74
GUINNESS FINANCE 8 94	200	103¾	104¼		6.27
IBM INTL FIN 7 3/4 94	200	103¼	104	-⅛	5.94
IND BK JAPAN FIN 7 7/8 97	200	102¼	102¾	+⅛	7.35
INTER AMER DEV 7 5/8 96	200	102¼	102¾	-⅛	6.98
ITALY 8 1/2 94	1500	106¼	106¾		5.91
JAPAN DEV BK 8 94	150	104¼	106¼		5.88
KANSAI ELEC PWR 10 96	350	109¾	110¼	-⅛	7.15
LTCB FIN 8 97	200	101¼	102¼	-⅛	7.61
NEW ZEALAND 9 94	850	105¼	106¼	-⅛	6.36
NIPPON CRED BK 10 3/8 95	150	109	109½		7.23
NIPPON TEL & TEL 9 3/8 95	200	107¾	108¼		6.45
ONTARIO 8 1/2 01	600	102¾	103¼	+⅛	8.04
ONTARIO HYDRO 11 5/8 94	200	109¾	110¼	-⅛	6.12
OSTER KONTROLLBANK 8 1/2 01	200	105¼	105¾		7.69
PETRO-CANADA 7 1/4 96	200	100¾	101¼	-⅛	7.06
QUEBEC HYDRO 9 3/4 98	150	109¾	109¾		7.88
QUEBEC PROV 9 98	200	105¾	106¼		7.80
SAINSBURY 9 1/8 96	150	105¼	106¼	-⅛	7.57
SAS 10 99	200	106¾	107¼	+⅛	8.76
SBAB 9 1/2 95	500	107¾	108¼		6.74
SNCF 9 1/2 98	150	109¾	110¼		7.48
STATE BK NSW 8 1/2 96	200	103½	104	-⅛	7.54
SWEDISH EXPORT 8 3/8 96	700	104¼	105¼		9.43
TOKYO ELEC POWER 8 3/4 96	300	105¾	106¼	-⅛	7.15
TOKYO METROPOLIS 8 1/4 96	200	104¼	105		7.07
WORLD BANK 8 3/8 99	1500	106¼	106¾		7.44
WORLD BANK 8 3/4 97	1500	107¾	108¼		6.98
XEROX CORPN 8 3/8 96	100	101¾	102¼		7.88
DEUTSCHE MARK STRAIGHTS					
ABN AMRO 8 1/2 96	500	101¼	101¾		8.12
AUSTRIA 6 3/4 99	750	94¾	95¼	+⅛	7.63
BNP 8 1/4 01	200	102¾	103	-⅛	7.76
DEUTSCHE FINANCE 7 1/2 95	1000	98¼	98¾		7.99
EIB 5 3/4 98	400	90¼	90¾		7.82
EIB 6 1/4 99	600	92	92¼	+⅛	7.79
EUROFIMA 8 3/4 96	400	103¼	103¾	+⅛	7.89
FIRST INTERSTATE 5 3/4 96	100	86¾	87¼		9.71
FORD MOTOR CREDIT 9 1/4 94	300	100¼	100¾	-⅛	9.15
IND BK JAPAN FIN 5 5/8 96	300	91¼	91¾		8.19
INTER AMER DEV 9 00	300	107¼	107¾	-⅛	7.84
IRELAND 6 1/2 99	300	93	93¼	+⅛	7.84
LUFTHANSA INT FIN 5 7/8 98	500	89¾	89¾		8.14
NAT BK HUNGARY 10 3/4 98	500	100	100¾		10.72
SWEDEN 6 1/8 98	300	92¼	92¾	-⅛	7.81
TURKEY 10 3/4 96	500	101	101¼		10.43
WORLD BANK 0 15	2000	21¾	22¼		6.62
WORLD BANK 5 3/4 96	300	92¾	93¼	-⅛	7.65
WORLD BANK 8 3/4 00	1250	105¼	105¾		7.87
SWISS FRANC STRAIGHTS					
ASIAN DEV BANK 6 10	100	91¼	92		6.81
AUSTRIA 4 5/8 98	100	90¼	91¼	+¼	6.61
CHUBU ELEC POWER 6 3/4 02	100	100	100½		6.74
COUNCIL EUROPE 4 3/4 98	250	90¾	91	-⅛	6.68
EEC 5 1/2 00	100	91¾	92¼	-⅛	6.82
EIB 6 1/2 98	600	100¾	101	-⅛	6.32
ELEC DE FRANCE 7 1/4 06	100	103¾	105	-1¼	6.88
FINLAND 5 3/8 95	150	95½	96¼	-1	6.79
GENERAL MOTORS 7 1/2 95	100	99½	100		7.68
JAPAN DEV BK 5 1/2 94	100	96	96½	-½	7.80
KOBE 6 3/8 01	240	98¼	99¼		6.55
NEW ZEALAND 4 7/8 99	200	90¾	91¼		6.58
QUEBEC HYDRO 5 08	100	77½	78¼	-⅛	7.45
WORLD BANK 5 03	150	86	86¾		6.79
WORLD BANK 7 01	600	103¾	104¼		6.42
YEN STRAIGHTS					
AUSTRIA 4 3/4 94	30000	99¼	99¾	-⅛	5.24
CREDIT FONCIER 5 1/4 94	20000	99¾	100	-⅛	5.44
DENMARK 7 95	40000	104¾	104¾	-⅛	5.24
EIB 4 5/8 94	40000	99¼	99¾	-⅛	4.86
ELEC DE FRANCE 5 5/8 96	20000	100½	101	-⅛	5.49
FINLAND 6 3/4 96	50000	103½	103¾	-⅛	5.72
INTER AMER DEV 7 1/4 00	30000	109¾	110	-⅛	5.74
KANSAI ELEC PWR 4 3/8 94	60000	98¼	98¾	-⅛	5.50
NIPPON TEL & TEL 5 7/8 96	50000	101¾	102¼	-⅛	5.39
NORWAY 5 1/8 95	30000	99¾	99¾	-⅛	5.26
SNCF 6 3/4 00	30000	107	107¼	-⅛	5.64
SWEDEN 5 5/8 95	20000	100¼	101¼	-⅛	5.42
WORLD BANK 6 3/4 00	50000	107¼	107¾	-⅛	5.58

OTHER STRAIGHTS	Issued	Bid	Offer	Chg. day	Yield
COPENHAGEN TEL 8 5/8 96 LFr	600	98¼	99¾	+½	9.01
WORLD BANK 8 96 LFr	1000	97	98	+¼	8.89
ENERGIE BEHEER 8 3/4 98 Fl	500	102¼	102¾		8.28
UNILEVER 9 00 Fl	500	105¼	105¾		8.10
ALBERTA PROVINCE 10 5/8 96 C$	500	105¾	106		8.87
BELL CANADA 10 5/8 99 C$	150	106¾	107¼		9.32
BRITISH COLUMBIA 10 96 C$	500	103¾	104¼		8.88
EIB 10 1/8 98 C$	130	105¾	106¼		8.93
ELEC DE FRANCE 9 3/4 99 C$	275	103¾	104¼	-⅛	9.04
FORD CREDIT CANADA 10 94 C$	100	101¼	101¾	+⅛	9.41
GEN ELEC CAPITAL 10 96 C$	300	103¾	104¼		8.92
KFW INT FIN 10 01 C$	400	104¾	105¼		9.22
NIPPON TEL & TEL 10 1/4 94 C$	200	105½	106	-⅛	9.20
ONTARIO HYDRO 10 7/8 99 C$	500	107¾	107½		9.44
OSTER KONTROLLBANK 10 1/4 99 C$	150	105¾	106¼		9.10
QUEBEC PROV 10 1/2 98 C$	200	105¾	105¾		9.37
BELGIUM 9 1/8 96 Ecu	1250	102	102¼	-⅛	8.52
CREDIT LYONNAIS 9 96 Ecu	125	99¼	100¼	+⅛	9.21
DENMARK 7 5/8 96 Ecu	250	94½	95¼	+½	9.27
EEC 7 5/8 94 Ecu	200	97¼	97¾		9.28
EIB 10 97 Ecu	1125	106¾	106¾		8.37
FERRO DEL STAT 10 1/8 98 Ecu	500	106¼	106¾	-⅛	8.68
ITALY 10 3/4 00 Ecu	1000	112¼	112¾		8.59
UNITED KINGDOM 9 1/8 01 Ecu	2750	104¾	104¾		8.37
BP AMERICA 12 1/4 96 A$	100	107	107¼		10.04
COMM BK AUSTRALIA 13 3/4 99 A$	100	114¾	115		10.79
EKSPORTFINANS 12 3/8 95 A$	75	108¾	108¾	+⅛	9.28
EUROFIMA 14 5/8 94 A$	75	111¾	111¾		8.76
MCDONALDS CANADA 15 95 A$	100	113¾	113¾		10.05
NAT AUSTRALIA BANK 14 3/4 94 A$	150	109¼	110¼	+⅛	9.06
STATE BK NSW 14 1/4 99 A$	100	116¼	116½		10.97
UNILEVER AUSTRALIA 12 98 A$	150	107½	108		10.27
VOLKSWAGEN INTL 15 94 A$	100	110½	111		9.31
ABBEY NATL TREAS 13 3/8 95 £	100	107¾	108¼	-⅛	10.18
ALLIANCE & LEICS 11 3/8 97 £	100	103¼	103¾		10.51
BRITISH GAS 12 3/4 95 £	300	106¾	107¼	-⅛	9.93
BRITISH LAND 12 1/2 16 £	150	107¾	108		11.89
DEUTSCHE BK FIN 11 94 £	225	101¾	102¼	-⅛	9.83
EIB 10 97 £	536.5	101¾	102	-⅛	9.56
FINLAND 10 1/8 97 £	100	101½	102	-⅛	9.73
ITALY 10 1/2 14 £	400	104½	104¾		9.98
LAND SECS 9 1/2 07 £	200	89¾	89¾	-⅛	10.98
NORWAY 10 1/2 94 £	200	101¼	101½		9.79
ONTARIO 11 1/8 01 £	100	105¼	106¼	-⅛	10.11
SEVERN TRENT 11 1/2 99 £	150	104½	104¾		10.56
SKANDINAVISKA ENSK 13 1/8 95 £	100	106¼	107	-⅛	10.52
TOKYO ELEC POWER 11 01 £	150	106¼	106¾	-⅛	9.92
WORLD BANK 11 1/4 95 £	100	103¾	104¼	-⅛	9.84
ABBEY NATIONAL 0 96 NZ$	100	65¼	66¼		9.57
BNP 12 96 NZ$	50	108½	109½		9.40
CEPME 10 95 FFr	2000	102¾	103¼	-⅛	8.97
ELF-AQUITAINE 9 99 FFr	600	100¾	101¼		8.82
EURATOM 7 5/8 98 FFr	500	92¾	93¼	-⅛	9.17

FLOATING RATE NOTES	Issued	Bid	Offer	C.cpn
ALLIANCE & LEICS 0.08 94 £	300	99.49	99.64	10.7675
BANCO ROMA 0.03 01	200	92.72	94.03	4.4050
BELGIUM 1/16 97 DM	500	99.96	100.06	9.6875
BFCE -0.02 96	350	100.20	100.30	4.9175
BNP 05	300	97.07	97.96	5.5625
BRITANNIA 1/10 96 £	150	99.07	99.26	10.7875
CCCE 06 ECU	200	99.92	100.02	9.8594
CITIZENS FED 0.15 96	100	99.42	99.88	5.9625
CREDIT FONCIER -1/16 98	200	100.16	100.27	3.3438
DENMARK -1/8 96	1000	99.62	99.72	4.1875
DRESDNER FINANCE 1/32 98 DM	1000	99.95	100.04	9.5938
ELEC DE FRANCE 1/8 99	400	101.95	102.24	5.2500
FERRO DEL STAT 94	200	100.99	101.37	4.4375
HALIFAX 1/10 94 £	400	99.92	100.02	10.5375
IRELAND 98	300	99.63	99.73	4.4600
ITALY 00	500	100.99	101.29	4.5000
LEEDS PERMANENT 1/8 96 £	200	99.35	99.54	11.0000
LLOYDS BANK 1/10 PERP S3	600	78.64	80.64	4.5375
MITSUI FIN ASIA 1/8 96	100	99.96	100.09	3.9375
NAT WEST FIN 3/16 05	400	92.92	94.17	5.5000
NEW ZEALAND 1/8 96	250	100.26	100.37	4.8130
RENFE 98	500	100.06	100.17	5.0000
SOCIETE GENERALE 96	300	99.85	99.95	5.6250
STATE BK VICTORIA 0.05 99	125	98.75	99.00	4.3625
UNITED KINGDOM -1/8 96	4000	100.01	100.04	4.2500
YORKSHIRE BS 1/10 94 £	165	99.59	99.69	10.5375

CONVERTIBLE BONDS	Issued	Conv. price	Bid	Offer	Prem.
BURTON GROUP 4 3/4 01 £	110	2.38	128¾	130¾	
CHUBB CAPITAL 6 98	250	86	104¼	105¼	+32.25
EASTMAN KODAK 6 3/8 01	300	50.67	102½	103¾	+16.38
GOLD KALGOORLIE 7 1/2 00	65	1.0554	85¼	86¼	+45.61
HANSON 9 1/2 06 £	500	2.5875	101¼	101¾	+19.75
HAWLEY 6 02 PREF	400	19.1	85¼	87¼	
HILLSDOWN 4 1/2 02 £	150	3.97	117¾	118¾	
LAND SECS 6 3/4 02 £	84	6.72	83¼	84¼	+26.86
LASMO 7 3/4 05 £	90	5.64	76¼	77¼	
MITSUI BANK 2 5/8 03	200	2337½	76¼	78¼	+31.51
MOUNT ISA FIN 6 1/2 97	100	2.283	96	97	+17.28
OGDEN 6 02	85	39.077	82¾	83¾	+38.55
SEGA ENTERPRISES 3 1/2 96	200	13018	107¼	108¼	+1.26
SMITH & NEPHEW 4 02 £	90	1.775	122¾	123¼	+42.61
SUMITOMO BANK 3 1/8 04	300	3606.9	65	66	+30.87
TEXAS INSTRUMENTS 2 3/4 02	300	82¾	90¾	91¾	
THORN EMI 5 3/4 04 £	103	7.45	121¼	122¼	+11.54

* No information available - previous day's price
‡ Only one market maker supplied a price

STRAIGHT BONDS: The yield is the yield to redemption of the bid-price; the amount issued is in millions of currency units. Chg. day=Change on day.
FLOATING RATE NOTES: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. Spread=Margin above six-month offered rate (three-month §above mean rate) for US dollars. C.cpn=The current coupon.
CONVERTIBLE BONDS: Denominated in dollars unless otherwise indicated. Cnv. price=Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem=Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

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INTERNATIONAL CAPITAL MARKETS

Turkey to launch $150m issue

By Simon London

THE APPETITE of international investors for high-yielding sovereign bonds will be tested again today, with Turkey expected to launch a $150m five-year issue.

Lead-managed by Bankers Trust International, the bonds will be priced to yield 255 to 275 basis points more than US Treasury bonds, close to the yield of Turkey's outstanding bonds in the secondary market. Bankers were yesterday anticipating a yield spread at the tighter end of this indicated range.

The deal, which will carry an investor put option after three years, will be Turkey's first public Eurobond issue since the Gulf crisis began in August 1990. The deal is the first part of a $1bn funding programme planned this year.

Elsewhere, Uruguay is expected to tap the international bond market with a $75m three-year issue in three months, adding to the roster of Latin American states which have raised funding in the international bond market.

Lead-managed by J.P. Morgan Securities, the deal will be Uruguay's first international debt issue since the debt crisis of the early 1980s. Last year, the country rescheduled debt with its bank creditors.

The coup attempt last month has not damaged the appetite of international investors for Venezuelan bonds. Petroleos de Venezuela (PDV) recently raised $400m three-year and 10-year funding under its international medium-term note programme via Chase Investment Bank. They are the first such issues by a Latin American borrower.

The three-year notes were priced to yield 235 basis points more than US Treasury bonds of a comparable maturity and the 10-year notes were priced to yield 297 basis points more than Treasuries.

PDV is majority-owned by the government, which has a long-term debt rating of Ba1, one notch below investment grade. Turkey is currently being rated and anticipates a triple-B rating, two notches higher than Venezuela.

Demand firm for NTT's $250m five-year offering

By Simon London

NIPPON Telegraph and Telephone yesterday launched a $250m five-year bond issue in the international bond market, the first of a $1bn Eurodollar borrowing spree planned by Japanese utility companies this month.

The deal, lead managed by J.P. Morgan Securities, was

INTERNATIONAL BONDS

launched into a volatile market, with the Eurodollar market shadowing a ½-point collapse in US Treasury bonds at the five-year maturity. The five-year US benchmark bond stood at a yield of 6.67 per cent by the London close, from 6.57 per cent in early afternoon.

This volatility did not hamper placement of NTT bonds. Most underwriters said that their allocations of bonds were placed with investors by the time the US markets opened.

The 6⅞ per cent NTT bonds were priced to yield 32 basis points more than US Treasury bonds, considered good value by investors and most participants in the deal.

Having been reoffered to investors at a fixed price of 99.50, the bonds traded up to 99.62 bid before the collapse in US Treasury bond prices dragged the issue lower.

The lead manager reported firm demand from continental European and UK investors hoping for an appreciation in the US dollar on the foreign exchange markets. At the close the deal stood at 99.18 bid, for a yield spread of 28 basis points over Treasuries.

The proceeds of the deal were swapped into yen, but syndicate officials commented that interest rate and currency swaps opportunities had evaporated at the end of last week.

Combined with the volatility of dollar bond prices, this may delay the launch of other planned bond issues by Japanese utilities, including Chuba Electric, Kansai Electric and Tokyo Electric Power.

Elsewhere, the African Development Bank, the triple-A rated supranational lending agency, is expected to launch a $300m issue this week, possibly today. The 10-year deal, lead managed by Swiss Bank Corporation, will be the agency's first fixed-rate Eurodollar bond offering.

Syndicate officials were yesterday anticipating that the deal would be priced to yield around 35 to 40 basis points more than US Treasury bonds. At this level the bonds would offer a higher yield than paper issued by other better known supra-national agencies.

NEW INTERNATIONAL BOND ISSUES

Borrower	Amount m.	Coupon %	Price	Maturity	Fees	Book runner
US DOLLARS						
Nip.Telegraph & Telephone(a)†	250	6⅞	101⅛	1997	1⅞/0.10	JP Morgan Secs.
FRENCH FRANCS						
Credit Foncier de France(b)♦†	400	4	100	2002	-	JP Morgan & Cie
Gen.Elec.Cap.Corp(c)†	300	9⅛	100.97	1995	-	CSFB
YEN						
Mitsui Toatsu Chemicals(a)†	15bn	5.8	101.45	1996	1⅝/1.475	Nomura Int.
Mitsui Toatsu Chemicals(a)†	15bn	5.85	101¾	1997	1⅞/1.575	Yamaichi Int.

**Private placement. §Convertible. ♦With equity warrants. ‡Floating rate note. †Final terms. a) Non-callable. b) Warrant holder able to buy French 8½% 2019 Government Bonds. Exercise premium fixed at 5.87%. c) Fungible with existing FFr750m deal. Non-callable.

Moody's downgrades Woolwich ratings

By Simon London

NATIONWIDE and Woolwich, the UK's second and third largest building societies, have had their credit ratings called into question by Moody's, the US credit rating agency.

Woolwich's long-term senior debt rating has been cut by one notch from AA3 to A1, and subordinated debt rating from A2 to A3. Moody's has also placed under review for possible downgrade the credit ratings of Nationwide.

The move underlines the pressure on building societies caused by the poor state of the UK housing market.

Moody's said that its decision to cut the Woolwich credit ratings reflected a decline in the building society's asset quality.

At the end of last year, Woolwich merged with the smaller Town & Country Building Society, the 15th largest mutual saving's institution in the UK, which had run into problems following a sharp increase in mortgage defaults and repossessions. The merger bought Town & Country's £2.2bn loan assets, including a high proportion of problem loans, on to the Woolwich balance sheet.

However, Moody's noted: "The Town & Country's past lending practices have been discontinued and replaced by more conservative underwriting."

The decision to place Nationwide's AA3 long-term credit rating and A2 subordinated debt ratings under review was based on similar concerns about asset quality.

The rating agency said that its review will "focus on the loss associated with high levels of residential loan arrears".

● Renault, the French motor group, has issued a FFr1.2bn domestic bond due March 30, 2001, paying 9.00 per cent and priced at 99.86 per cent, Reuter reports from Paris.

The deal, which may be increased to FFr1.5bn before March 16, is being re-offered at 98.51 per cent, giving a spread of 78 basis points over the equivalent French government bond. The lead manager is Banque Nationale de Paris.

Philippine bank defers GDR plan

By Jose Galang in Manila

THE state-controlled Philippine National Bank (PNB) yesterday deferred a plan to issue global depository receipts (GDRs) for foreign investors. Instead, it announced a 2.27bn pesos public offering of 10 per cent of its outstanding capital, or 8.03m shares, under the government's continuing privatisation programme.

The offering, which will reduce the government's holding in the bank to 57 per cent, is set for a March 16-27 roadshow. The shares will be listed on the local stock exchanges on March 30.

Mr Edgardo Espiritu, president of PNB, the country's largest commercial bank, said the proposed GDR offering had been deferred until after the national elections in May, or "until perceptions by foreign investors regarding Philippine stock issues improve.

"We feel it more advantageous to concentrate on the local market for the time being," Mr Espiritu said.

The GDR issue, which was to have been sold in Europe, the US and Japan, was expected to represent about 10 to 11 per cent of the bank's outstanding shares. At present, foreign ownership in PNB stands at about 15 to 17 per cent, according to Mr Espiritu. Philippine laws limit foreign holdings in local commercial banks to 30 per cent.

The public offering follows the successful sale on January 27 of 67 per cent of Philippine Airlines, the national carrier, to a group of prominent local business groups.

It is part of a privatisation programme launched in 1987 by the government of President Corazon Aquino. The programme has proceeded at a pace much slower than earlier expected.

A feature of the PNB offering is a so-called "greenshoe option". A first in the local capital markets, the greenshoe option allows the underwriters to compensate for any variance

Edgardo Espiritu: delay until after May elections

in the offering's price, to be announced only at the end of the offer period, and the market price to which the underwriters are committed.

The underwriting syndicate, composed of member-firms of the Investment Houses Association of the Philippines plus universal banks that do not own investment houses, may buy additional shares at the offer price from PNB or at market prices from the stock exchanges to offset any big variance, PNB officers said.

PNB is setting aside up to 15 per cent of the offer for underwriters who may avail of the greenshoe option. A similar volume is also being allocated for existing shareholders.

Including these latter allocations, the total public offering is expected to amount to 13 per cent of outstanding capital, or about 10.4m shares, bank officers estimate.

PNB recently reported 1991 net profits of 4.02bn pesos, an increase of 21 per cent over the previous year. Gross revenues rose 29 per cent to 13.8bn pesos.

PNB shares, which have a book value of 146 pesos each, currently trade on the local stock exchanges at a range of 285 pesos to 290 pesos, or a price/earnings ratio of nearly 6.

Takagi Securities closes London affiliate

By Emiko Terazono in Tokyo

TAKAGI Securities, a third-tier Japanese broker, has announced the closure of its London-based affiliate.

The move comes as the slump of the Tokyo stock market is forcing second and third-tier brokerages to review operations and cut costs. Medium-sized brokers expanded overseas and domestic operations in the stock market boom of the late 1980s and made extensive investments in capital investments.

Many medium-sized brokers, which depend heavily on revenues from trading commissions, are now facing a severe decline in income and profits because of the low trading volumes in the stock market. According to the Tokyo Stock Exchange, average daily volume for February fell to 196m shares, the lowest figure since June 1982, when activity fell to 172m shares.

Second and third-tier securities houses will also be hard-hit by the financial deregulation expected to be implemented as early as next year, when the rules separating banks and brokerages will be eased. Mergers and acquisitions among the smaller brokers are expected to increase due to the rise of competition in the securities industry.

● Tokai Bank, a leading Japanese commercial bank, is to send officials to help reconstruct Central Finance, its consumer credit affiliate.

Japan's non-bank financial institutions face problems due to the surge in bad debts caused by the slump in the property and stock markets.

Central Finance was involved in last year's bank loan scandals. It had made loans up to Y30bn to an Osaka restaurateur on fake deposit certificates by an Osaka-based credit association used as collateral.

Tokai said it would send seven officials and lend Y110bn to the company. Central Finance will set up a separate subsidiary in an effort to recover up to Y100bn of loans.

Denmark to hold reverse auction

By Hilary Barnes in Copenhagen

THE Danish government is holding a reverse auction to buy up as much as DKr25bn of state variable interest bonds.

The bonds have failed to live up to the intention that they should have a relatively stable price and be a liquid series, according to statement from Danmarks Nationalbank, the Danish central bank.

Uncertainty about the price has reduced liquidity in the series and lessened their attractiveness to investors.

The bonds that the authorities buy up will be annulled and replaced by other instrument, including Treasury bills. Tenders in the reverse auction must be made by March 9. The authorities will buy up bonds for a maximum of DKr25bn.

● Kreditforening Danmark (KD), one of the two big Danish bond-issuing mortgage credit associations, plans to raise supplementary capital of DKr3bn this month through a bond issue. This follows a change in the regulations, taking effect on January 1, which enables the associations to raise supplementary capital.

KD is the first association to take the opportunity. The issue will be priced to give it a yield that is 1.50 points above the yield of the government benchmark 9 per cent bond maturing in 2000.

KLMF unveils M$100m fund

KUALA Lumpur Mutual Fund, a Malaysian unit trust management group, has launched a M$100m (US$38.75m) Kuala Lumpur Index Fund to invest in component stocks of the Kuala Lumpur Stock Exchange composite index, Reuter reports from Kuala Lumpur.

The 85-share composite index has an exposure to the industrial sector of about 74 per cent. KLMF is a 30 per cent associate of D&C Mitsui Merchant Bankers.

LONDON MARKET STATISTICS

FT-ACTUARIES SHARE INDICES

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EQUITY GROUPS & SUB-SECTIONS. Figures in parentheses show number of stocks per section	Monday March 2 1992 Index No.	Day's Change %	Est. Earnings Yield% (Max.)	Gross Div. Yield% (Act at (25%)	Est. P/E Ratio (Net)	xd adj. 1992 to date	Fri Feb 28 Index No.	Thu Feb 27 Index No.	Wed Feb 26 Index No.	Year ago (approx) Index No.
1 CAPITAL GOODS (178)	795.03	-0.1	8.32	6.00	15.37	1.41	795.89	795.86	798.85	850.87
2 Building Materials (23)	973.62	-0.3	7.15	6.39	18.87	0.44	976.31	978.15	985.75	1156.91
3 Contracting, Construction (28)	896.12	+0.2	8.77	8.14	16.50	1.32	893.94	896.53	892.44	1383.81
4 Electricals (7)	2434.60	-0.3	10.15	6.16	12.40	1.47	2442.31	2441.27	2446.03	2364.99
5 Electronics (26)	1854.05	-0.2	9.88	4.62	12.83	1.86	1858.34	1857.95	1846.22	1772.47
6 Engineering-Aerospace (8)	334.90	+0.5	12.22	7.76	9.95	5.78	333.15	331.01	328.02	444.93
7 Engineering-General (43)	491.52	-0.5	9.43	4.80	13.09	1.21	493.90	493.59	490.69	434.31
8 Metals and Metal Forming (10)	319.99	-0.6	2.17	10.70	-	0.00	321.97	325.93	328.00	480.38
9 Motors (14)	314.22	+0.2	8.09	7.53	16.44	0.00	313.45	313.76	314.91	342.59
10 Other Industrial Materials (19)	1591.44	......	7.71	5.17	15.39	0.69	1590.84	1587.34	1609.99	1480.90
21 CONSUMER GROUP (188)	1677.39	-0.5	7.15	3.33	17.11	4.74	1686.14	1681.55	1678.70	1351.32
22 Brewers and Distillers (23)	2117.41	-0.4	7.58	3.35	15.91	7.92	2126.72	2127.60	2117.29	1692.94
25 Food Manufacturing (18)	1268.48	-0.2	8.51	4.04	14.50	2.11	1271.40	1267.24	1267.60	1126.63
26 Food Retailing (17)	2649.98	-1.3	8.33	3.13	15.61	4.06	2685.08	2692.05	2670.63	2482.69
27 Health and Household (24)	4344.00	-0.5	6.27	2.39	18.10	15.12	4367.19	4338.32	4382.05	2916.84
29 Hotels and Leisure (23)	1300.31	-0.5	7.15	5.18	17.42	8.54	1306.95	1311.17	1304.06	1323.04
30 Media (24)	1572.05	+0.5	6.22	3.48	20.23	2.97	1564.54	1560.20	1550.44	1344.51
31 Packaging, Paper & Printing (17)	759.73	......	6.96	4.40	17.40	0.22	760.02	756.01	752.99	605.55
34 Stores (32)	1073.13	-0.9	6.88	3.36	19.27	1.91	1082.38	1077.69	1066.52	860.44
35 Textiles (10)	650.08	-1.4	7.06	4.78	18.08	0.53	659.00	653.63	638.54	495.04
40 OTHER GROUPS (116)	1233.79	-0.4	9.81	5.37	12.85	6.41	1238.16	1239.54	1237.42	1150.98
41 Business Services (16)	1400.79	-0.3	7.17	4.68	17.73	0.27	1404.36	1397.84	1392.18	1084.51
42 Chemicals (21)	1507.74	-0.2	6.97	4.86	17.53	0.59	1511.20	1505.48	1519.07	1237.86
43 Conglomerates (11)	1336.47	-0.4	10.68	7.57	11.44	3.18	1341.36	1344.72	1337.92	1522.60
44 Transport (14)	2417.52	+0.3	5.25	4.68	25.16	2.46	2411.16	2425.45	2435.20	2180.72
45 Electricity (16)	1239.33	......	14.63	6.00	8.89	17.21	1239.04	1236.63	1218.77	1123.29
46 Telephone Networks (4)	1416.46	-0.4	11.08	4.43	11.79	16.02	1421.90	1420.54	1412.39	1279.12
47 Water (10)	2441.96	-1.9	17.47	6.51	6.31	0.00	2488.22	2488.12	2462.79	2437.16
48 Miscellaneous (24)	1802.93	-0.5	5.68	5.41	24.03	1.18	1812.53	1834.30	1852.85	1830.87
49 INDUSTRIAL GROUP (482)	1313.81	-0.4	8.17	4.43	15.25	4.43	1319.04	1317.63	1316.65	1171.13
51 Oil & Gas (18)	2038.63	-0.3	9.38	6.96	14.04	36.07	2045.78	2055.86	2045.81	2334.50
59 500 SHARE INDEX (500)	1382.54	-0.4	8.30	4.69	15.12	6.70	1387.97	1387.34	1385.72	1269.19
61 FINANCIAL GROUP (86)	727.04	+0.5	-	6.26	-	2.61	723.18	723.54	728.51	804.57
62 Banks (9)	911.57	+0.7	4.06	5.89	58.53	6.20	904.95	903.24	906.22	882.32
65 Insurance (Life) (6)	1444.62	-0.5	-	5.91	-	0.00	1452.12	1462.90	1454.16	1447.73
66 Insurance (Composite) (7)	468.62	+1.0	-	8.15	-	0.00	463.89	465.83	491.05	702.12
67 Insurance (Brokers) (10)	981.40	+1.3	7.88	6.81	16.70	2.37	969.19	967.64	970.95	1068.11
68 Merchant Banks (7)	473.20	......	-	4.53	-	0.00	473.33	470.25	464.14	405.01
69 Property (33)	738.96	+0.6	7.78	6.14	17.59	0.93	734.79	735.80	733.19	1024.82
70 Other Financial (14)	246.34	-0.3	8.08	7.08	16.35	0.89	247.12	247.47	246.47	276.22
71 Investment Trusts (68)	1192.48	......	-	3.70	-	4.11	1193.03	1191.05	1183.93	1147.03
99 ALL-SHARE INDEX (654)	1226.46	-0.3	-	4.85	---	5.72	1229.84	1229.38	1228.94	1154.87

	Index No.	Day's Change	Day's High (a)	Day's Low (b)	Feb 28	Feb 27	Feb 26	Feb 25	Feb 24	Year ago
FT-SE 100 SHARE INDEX‡	2554.3	-7.8	2554.3	2542.1	2562.1	2562.0	2565.0	2546.8	2559.7	2382.9

FIXED INTEREST

PRICE INDICES	Mon Mar 2	Day's change %	Fri Feb 28	Accrued interest	xd adj. 1992 to date
British Government					
1 Up to 5 years (26)	122.75	-0.02	122.78	2.17	1.65
2 5-15 years (26)	137.00	-0.03	137.21	1.75	3.11
3 Over 15 years (9)	148.64	-0.13	148.84	2.86	0.88
4 Irredeemables (6)	163.98	-0.14	164.57	2.23	1.50
5 All stocks (67)	135.10	-0.04	135.24	2.06	2.40
Index-Linked					
6 Up to 5 years (2)	170.28	+0.10	170.12	0.17	1.37
7 Over 5 years (9)	149.39	-0.06	149.48	0.67	0.90
8 All stocks (11)	151.13	-0.04	151.18	0.60	0.95
9 Debs & Loans (62)	118.44	+0.06	118.37	2.14	2.07

AVERAGE GROSS REDEMPTION YIELDS		Mon Mar 2	Fri Feb 28	Year ago (approx.)
British Government				
1 Low	5 years	8.57	8.58	9.40
2 Coupons	15 years	9.13	9.12	9.79
3 (0%-7¾%)	20 years	9.13	9.12	9.96
4 Medium	5 years	9.37	9.36	10.31
5 Coupons	15 years	9.20	9.19	10.16
6 (8%-10¾%)	20 years	9.17	9.15	10.08
7 High	5 years	9.61	9.59	10.46
8 Coupons	15 years	9.29	9.28	10.33
9 (11%-)	20 years	9.24	9.22	10.24
10 Irredeemables		9.33	9.31	10.09
Index-Linked				
11 Inflation rate 5%	Up to 5yrs.	3.55	3.57	3.75
12 Inflation rate 5%	Over 5 yrs.	4.30	4.29	4.17
13 Inflation rate 10%	Up to 5 yrs.	2.88	2.90	2.32
14 Inflation rate 10%	Over 5 yrs.	4.12	4.11	3.99
15 Debs &	5 years	10.80	10.79	11.86
16 Loans	15 years	10.60	10.60	11.61
17	25 years	10.45	10.45	11.40

‡Opening index 2552.2; 9 am 2548.8; 10 am 2542.6; 11 am 2546.9; Noon 2547.7; 1 pm 2546.0; 2 pm 2546.5; 2.30 pm 2547.0; 3 pm 2549.6; 4.10 pm 2552.6; (a) 4.30pm (b) 9.57am † Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A list of constituents is available from the Publishers, The Financial Times, Number One, Southwark Bridge, London SE1 9HL. The FT-ACTUARIES SHARE INDICES SERVICE covers a range of electronic and paper-based products relating to these indices. These are available by subscription from FINSTAT, 2nd Floor, 126 Jermyn Street, London SW1Y 4UJ. Tel: 071-925 2323.

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	4	66	10
Other Fixed Interest	2	5	10
Commercial, Industrial	214	286	974
Financial & Property	112	114	564
Oil & Gas	20	20	52
Plantations	1	0	8
Mines	13	14	123
Others	53	32	47
Totals	419	537	1,788

LONDON RECENT ISSUES

EQUITIES

Issue Price	Am't Paid up	Latest Renunc. Date	1991/92 High	1991/92 Low	Stock	Closing Price	+ or -	Net Div.	Times Cov'd	Gross Yield	P/E Ratio
§	F.P.	-	75	61	Capital Industries 1p	61			-	-	-
100	F.P.	-	104	99	Exeter Prfd. Capital	102		F0.6	-	0.8	-
-	F.P.	-	39	23	Fleming Japanese Wrrnts	36		-	-	-	-
£10¼	F.P.	-	£12	£10⅝	Latin Am Inc & Agr. 1c	£12		-	-	-	-
100	F.P.	-	99	97	Lloyds Smlr Co's Pcing Uts	98		-	-	4.8	-
38	F.P.	-	39	34	Do. Dividend	37		-	-	-	-
62	F.P.	-	62	57	Do. Capital	60		-	-	-	-
-	F.P.	-	11	¼	Multitrust Warrants	11		-	-	-	-
-	F.P.	-	104	102	Riv & Mrc Tst Inc12 1/2p	103		N9.2	-	11.9	-
-	F.P.	-	123	117	Do. Stpd Prf 12 1/2p	123	+½	N5.6	-	6.1	-
115	F.P.	-	124	121	Rosebys	124		L4.3	1.7	4.6	14.3
-	F.P.	-	160	158	Usher-Walker (RFD)	160		5.5	1.3	4.6	21.9

FIXED INTEREST STOCKS

Issue Price £	Amount Paid up	Latest Renunc. Date	1991/92 High	1991/92 Low	Stock	Closing Price £	+ or -
100p	F.P.	-	101½p	101p	Bank of Ireland Units Non-Cum Prf A	101p	
10p	F.P.	-	10p	8p	Bettx Mining 10pc(Net) Cv Prf 1994	10p	
100	F.P.	-	107½	98½	Cambourne Inds. 10½pc Rd. Deb. 2001	105½	
34.71	F.P.	-	35¼	35½	Exeter Prfd. Capital Zero Deb. 2002	35½	
100p	F.P.	-	106p	100p	Fidelity Euro. Values Equity Ln 2001	106p	
105	F.P.	-	110	98	Greencore 9.5% Cnv Un Ln Stk 1995	105	
310p	F.P.	-	462p	434p	Inchcape Non-Int. Bearing Cv Un Ln	462p	+3
100p	F.P.	-	105½p	99½p	NatWest Bank 9pc Prf Series A	102p	
4	F.P.	-	75p	68p	Wembley 6p (Net) Cnv Cum Prf 1999	68p	

RIGHTS OFFERS

Issue Price p	Amount Paid up	Latest Renunc. Date	1991/92 High	1991/92 Low	Stock	Closing Price p	+ or -
205	Nil	30/3	38pm	18½pm	BTP 10p	21pm	+1
105	Nil	3/4	12pm	1½pm	Bromsgrove Inds.	1½pm	
415	Nil	20/3	80pm	50pm	ECC	73pm	+13
115	Nil	12/3	16pm	12pm	Porvair 2p	16pm	
58	Nil	30/3	12½pm	9½pm	Senior Engineering 10p	11pm	
350	Nil	5/3	54pm	47pm	Watmoughs	50pm	+1
30	Nil	11/3	4½pm	2½pm	Wembley 5p	3pm	-1
4	Nil	3/4	¾pm	½pm	West Trust	½pm	-⅛

a Annualised dividend. b Figures based on prospectus estimates. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. g Assumed dividend and yield. q Earnings based on preliminary figures. u Forecast or estimated annualised dividend rate, cover based on previous year's earnings. x Ex-dividend. F Dividend and yield based on prospectus or other official estimates for 1992-93. H Dividend and yield based on prospectus or other official estimates for 1991. L Estimated annualised dividend, cover and p/e based on latest annual earnings. M Dividend and yield based on prospectus or other official estimates for 1991-92. N Dividend and yield based on prospectus or other official estimates for 1992. Q Gross. R Forecast annualised dividend, cover and p/e ratio based on prospectus or other official estimates. W Pro Forma figures. § Offered to holders of ordinary shares as a "rights". † Introduction. ‡ Placing price. †† Reintroduction. ‡ Unlisted securities market. ¢ Issued in connection with reorganisation, merger or takeover. pm Price at a premium.

TRADITIONAL OPTIONS

● First Dealings March 2
● Last Dealings March 13
● Last Declarations June 11
● For settlement June 22

3-month call rate indications are shown on this page.

Calls in Ashley Group, Costain, GRE, Hanson warrants, John Laing, Next, Ossory Ests., Pittencrieff and Tullow Oil. Puts in Amber Day, In Shops, Ratners Pref. and WPP. Put and call in Tullow Oil.

LONDON TRADED OPTIONS

Option		CALLS Apr	Jul	Oct	PUTS Apr	Jul	Oct
Alld Lyons (*643)	600	56	66½	85	7	21½	27½
	650	25	39½	58½	25½	44½	49½
	700	8	21½	37½	59	77	82
ASDA (*39)	34	6½	-	-	-	1¼	-
	40	-	6	7½	-	3¼	5½
	43	2¼	2¼	3¼	-	11½	11½
Brit. Airways (*275)	240	40½	44½	50½	2½	7	11
	260	25	31½	38½	5½	14	19
	280	11	18½	28½	13½	25	29
SmKl Beecham A (*920)	900	45½	75½	100	22	35½	44½
	950	22	48½	73½	49½	60½	69½
	1000	8½	29½	51½	86½	91½	98
Boots (*470)	460	24	33	46	7	16½	23
	500	6	14½	26	32½	40½	42½
B.P. (*266)	260	14	19½	25½	5½	11½	14½
	280	5¼	10½	15½	17½	22½	25½
British Steel (*72)	70	4½	7	9¼	2¼	4¼	7
	80	1½	3½	5	9½	10	12
Bass (*574)	550	37½	49½	65½	8	17½	20
	600	12½	24½	38	32½	41½	43½
C & Wire (*602)	600	27½	42½	57½	17½	30½	35½
	650	8½	21½	-	47½	58½	-
Courtaulds (*537)	500	45½	55½	69½	5½	14	19½
	550	15	28	41½	22	36½	40½
Com. Union (*462)	460	11¼	25	29½	23½	28½	34½
	500	2	10	15½	56½	57½	60½
Fisons (*394)	390	20½	36	50	19	27	32
	420	7½	24	-	38	44	-
GKN (*334)	330	10	19½	24	18½	21½	31
	360	2¼	9	13	43	43	51
Grand Met. (*916)	900	44½	74½	91½	16½	29½	38½
	950	20	47½	64½	43½	53½	62½
I.C.I. (*1291)	1250	46½	83½	105	35½	49½	66½
	1300	24	61½	78½	66½	76½	93
Kingfisher (*544)	500	54½	60½	70½	4	12	17
	550	19½	30½	42½	20½	31½	37½
Ladbroke (*232)	230	10½	-	-	12½	-	-
	240	-	14	19½	-	23	27
Land Secur (*442)	420	28½	34½	39½	3¼	13¼	16½
	460	7½	11½	19½	19½	35½	38½
M & S (*320)	300	26½	32	40½	3¼	8	11½
	330	8	14½	24	15½	21½	24
Sainsbury (*387)	360	32	39½	49½	3	7½	10½
	390	13½	22	32	11½	19	22
Shell Trans. (*446)	420	35½	49	54	4	8	13
	460	10½	23½	30½	20	24	30
Storehouse (*107)	100	11½	14½	16½	2½	5½	7½
	110	6	9	11½	6¼	10½	12½
Trafalgar (*133)	130	11½	14½	20½	6	12½	14½
	140	7½	11	16	11½	17½	20
Utd. Biscuits (*427)	390	40½	47½	56½	4	8½	12½
	420	16	28½	39	11½	19	22
Unilever (*935)	900	48½	70½	95½	16½	24½	31½
	950	20½	43½	66½	39½	47	53½
Ultramar (*235)	220	17	-	-	-	-	-
	240	6½	-	-	19½	-	-

Option		CALLS May	Aug	Nov	PUTS May	Aug	Nov
Brit. Aero (*329)	300	43½	54	59½	10½	16½	22½
	330	24	38	43½	22	30	35½
BAA (*580)	550	51	60	74½	10½	18	24
	600	23½	32	48	32	41	48
BAT Inds (*631)	600	46	53½	63½	13½	24½	32½
	650	20	28½	37½	38½	50½	58½
BTR (*399)	390	17	28	36	15	17	27½
	420	7¼	15½	22	35½	36½	40½
Brit. Telecom (*334)	330	18	26	31	9¼	14¼	17½
	360	6¼	13	17	28	32	34
Cadbury Sch (*472)	460	30	43½	54½	19	24½	30½
	500	12½	25½	36½	42½	47	52½
Eastern Elec (*256)	250	17½	-	-	9½	-	-
	260	-	17	21½	-	21	22½
Guinness (*590)	550	47½	62½	74½	8½	14	18½
	600	19½	34½	46½	30½	34½	37½
GEC (*215)	200	21¼	25	26½	2½	6	7¼
	220	8¼	11¼	15	9	14	17
Hanson (*218)	200	23½	26½	29½	2¼	4½	6¼
	220	9¼	14	17½	9¼	12	14¼
LASMO (*208)	200	17½	24½	30	13½	18	21
	220	9½	14	21½	26	29	32
Lucas Inds (*117)	110	11½	15	18½	4¼	7	10
	120	6½	10	12½	9½	11½	15½
P. & O (*368)	360	24	32	41½	24½	31½	42½
	390	13	19	26	47½	51½	62½
Pilkington (*129)	120	15½	17½	20½	4½	9	11
	130	9	12	16½	8½	14½	16½
Prudential (*240)	240	10	16½	20½	14½	16½	20½
	260	4	9	-	28½	29½	-
R.T.Z. (*549)	500	53½	66½	73½	8½	12½	18
	550	21½	36½	47½	29½	34½	40
Scot. & New (*451)	420	45	52½	57½	6	11½	15½
	460	20½	28	35½	20	29½	32½
Tesco (*265)	260	14½	22	28	9	11½	14½
	280	6	12½	17½	20	22	25
Thames Water (*375)	360	33½	37½	42½	9	17½	20½
	390	15½	21	28	22	32½	35
Vodafone (*360)	360	21½	28½	39½	16½	20	25
	390	9¼	16½	-	33½	39	-

Option		CALLS Mar	Jun	Sep	PUTS Mar	Jun	Sep
Abbey Nat. (*303)	300	7	15½	20½	9	13½	18½
	330	½	5½	-	36	36	-
Amstrad (*30)	30	2¼	4½	6½	2	4¼	5½
	35	¼	3¼	5	5¼	8	8¼
Barclays (*362)	360	7	19	25½	14½	22	26
	390	1¼	9	14	44½	45½	47½
Blue Circle (*262)	260	8¼	16½	22	5¼	17½	21
	280	2½	10	14½	17½	29	32
British Gas (*253)	240	15	19½	25	1¼	8	9
	260	2¼	9¼	14	9	17	18
Dixons (*237)	220	17	28	32	2	7	12
	240	4½	17	22	9¼	15½	20
Eurotunnel (*454)	420	38	63	75½	4	16¼	26
	460	16½	38½	53½	16½	35	41½
Glaxo (*782)	750	41½	81½	101	7¼	31½	45
	800	14½	56	76½	30½	54½	67½
Hillsdown (*154)	140	15	24½	25½	2¼	6½	8½
	160	3½	9½	13	7½	17	18
Lonrho (*119)	110	11½	18½	21	4	8	11½
	120	6	13½	15½	7	12½	14½
Midland Bk (*277)	260	19½	30½	39½	4½	9½	15
	280	7	19	28	13	20	24
National Power (*226)	215	12½	22	25½	2¼	6½	10
	235	1½	11½	15	11½	15	19½
Reuters (*1193)	1150	55	97	125	10½	40½	51½
	1200	22½	70	100	30½	65	75
R. Royce (*138)	130	8½	11	15	4¼	7¼	9½
	140	3	6¼	10¼	9	13	15
Scottish Power (*103)	100	4½	10	10	1¼	4½	8
	110	¼	5	6	7½	9	14
Sears (*101)	100	3¼	7	10	2¼	7¼	9½
	110	1½	4	6	9½	13½	16
Forte (*226)	220	9	16	20	2¼	11	13½
	240	1¼	6	11	14	24	24½
Thorn EMI (*807)	800	19½	48½	56½	9	21½	35½
	850	3	24½	31½	42	48½	63½
TSB (*130)	130	3¼	10½	12½	3¼	7¼	10
	140	½	5	7	10½	13½	17½
Vaal Reefs (*$57)	50	9	10½	11½	½	2	2¼
	60	1¼	4½	5½	2¼	5½	6¼
Wellcome (*1065)	1050	36½	88½	121	19½	53½	68½
	1100	15	63½	96½	46½	78½	93½

EURO FT-SE INDEX (*2553)

	2375	2425	2475	2525	2575	2625	2675	2725
CALLS								
Mar	197	152	110	74	42½	21	10	4
Apr	224	182	143	109	79½	55	35½	22
May	-	206	-	136	-	80½	-	42½
Jun	-	218	-	150	-	96½	-	54
Sep	-	264	-	197	-	139	-	93½
Dec	-	295	-	230	-	173	-	124
PUTS								
Mar	7	10½	17	29½	48½	77½	114	157
Apr	19	26	37	52	70½	96	126	161
May	-	37½	-	66	-	109	-	167
Jun	-	44½	-	73	-	115	-	170
Sep	-	57	-	87½	-	124	-	170
Dec	-	67	-	95	-	130	-	175

FT-SE EUROTRACK 100 INDEX (*1169)

	1025	1050	1075	1100	1125	1150	1175	1200
CALLS								
Mar	-	100	75	53	33	20½	6½	2
Jun	150	130	105	87½	-	-	-	-
PUTS								
Mar	-	4	5½	6½	10	18½	31	56½
Jun	6	8½	10½	14	19½	-	-	-

FT-SE INDEX (*2553)

	2350	2400	2450	2500	2550	2600	2650	2700
CALLS								
Mar	225	178	133	92	58½	32	15½	6½
Apr	249	208	168	129	94½	69	46½	30
May	268	228	189	153	120	92	70	49½
Jun	284	241	206	167	139	111	86½	66
Dec	-	322	-	248	-	190	-	135
PUTS								
Mar	5	8½	14½	23	41	67	102	149
Apr	19	24	36	49½	69½	91½	123	159
May	26½	35	47½	63	82½	106	137	170
Jun	35	42½	57½	71½	89½	115	143	175
Dec	-	-	-	-	-	-	-	-

March 2 Total Contracts 29,978
Calls 17,140 Puts 12,838
FT-SE Index Calls 7,155 Puts 3,623
Euro FT-SE Calls 1,914 Puts 1,529
Eurotrack 100 Index Calls 0 Puts 0
*Underlying security price. † Long dated expiry months. Premiums shown are based on middle prices.

TRADITIONAL OPTION 3-month call rates

INDUSTRIALS	p	Charter Cons.	40	Ladbroke	17	Sears	7½	**OILS**	
Allied-Lyons	55	Comm Union	38	Legal & Gen	31	SmKl Bchm A	78	Aviva Pet	1¼
Amstrad	3	Courtaulds	39	Lex Service	18	TI	48	BP	22
Asoc (BSR)	3	Eurotunnel	39	Lloyds Bank	31	TSB	10½	Burmah Castrol	40
BAT Inds	50	FKI	5½	Lonrho	20	Tesco	17	Conroy Pet	7½
BOC	48	FNFC	12	Lucas Inds	9	Thorn EMI	65	Gaelic Res	½
BTR	32	Forte	19	Marks Spencer	22	T & N	11	Premier Cons	3
Barclays	31	GKN	25	Midland Bank	19	Unilever	70	Shell	37
Blue Circle	22	Gen Accident	38	NatWest Bank	24	Vickers	14	Tuskar Res	1
Boots	33	GEC	15	P & O Dfd	34	Wellcome	75	**MINES**	
Bowater	55	Glaxo	70	Racal Elect	4½	**PROPERTY**		RTZ	39
Brit Aerospace	27	Grand Met	78	RHM	18	Brit Land	21		
British Steel	6	GRE	11	Rank Org	45	Land Sec.	38		
Brit Telecom	24	Hanson	16	Ratners	5	MEPC	31		
Cadburys	33	ICI	90	Reed Intl	40	Mountleigh	2½		

Bowater shows marginal decrease to £112.7m

By John Thornhill

BOWATER, the packaging and industrial films group which yesterday scooped up two more packaging companies, saw a marginal decrease in its pre-tax profits in 1991 from £113.1m to £112.7m.

Sales fell from £1.37bn to £1.27bn in the face of recession in Bowater's key markets in the UK, the US and Australia and operating margins slipped from 8.7 per cent to 8.6 per cent.

Mr Norman Ireland, chairman, said this was a "creditable" performance in the difficult circumstances but foresaw no early improvement in trading conditions.

Bowater's fully-diluted earnings per share fell from 50.2p to 47p but the company lifted its final dividend by 8.7 per cent to 12.5p bringing the total to 22p (21p).

The company received £4.2m in interest payments compared with an outflow of £5.9m last year. But it recorded an extraordinary charge of £12.7m (£26.6m credit) relating to rationalisation costs and a provision for the medical benefits of its retiring American employees.

Mr David Lyon, chief executive, said: "In the UK we have been bumping along on the bottom flat for four months." But he added that orders and sales had picked up in the US. "We may be living in the reflected success of our customers. We may be managing our business better or there may be an upturn in demand," he said.

Bowater's engineering and tissue businesses in Australia had also recorded some encouraging signs, Mr Lyon said. By division, Bowater's operating profits were: print and packaging £66.7m (£79.8m); coated films £17.6m (15m); building and engineering £16.2m (£16m); and tissue £6m (£4.4m).

In recent years, Bowater has narrowed its range of businesses but the two acquisitions announced yesterday will broaden its exposure to other packaging markets. Bowater's sales to the medical, pharmaceutical and personal care markets will rise from £150m to £370m and will bolster the company's presence in mainland Europe.

Mr Lyon said the company had completed six purchases in the past year and was still in a position to make small add-on acquisitions.

David Lyon: Bumping along the bottom flat for four months

Sale of 'core business' marks end of mistimed break-up bid

By Andrew Bolger

BOWATER'S purchase of DRG Packaging for £212m closes the final chapter on one of the most *bitterly* contested and mistimed of the break-up bids which dominated the 1980s.

Mr Roland Franklin, a former associate of Sir James Goldsmith, put together a consortium of wealthy investors in 1989 to pay £697m for DRG, the Bristol-based paper and packaging group, which included brand names such as Sellotape and Basildon Bond stationery.

Mr Franklin said he intended to unlock the unrealised value of DRG by disposing of peripheral activities and slimming it down to a core packaging business.

However, the debt incurred was taken on just before the onset of the recession which slowed the rate of disposals. Yesterday's sale brought the declared total realised by disposals to about £622m, which is well short of the purchase price plus financing costs.

Mr Franklin's son, Mr Martin Franklin, said yesterday that the privately-owned consortium, Pembridge Investments, had not published all of *its disposals, but admitted:* "This is a deal which was not exciting from our shareholders' point of view."

Last year Pembridge was refinanced and control of the consortium went to Société de Banque Thomson, the French finance house led by Mr Jean-Francois Henin.

Pembridge originally raised £130m from 18 equity investors. The biggest stake was £60m from Mr Ted Field, the US millionaire. Four of the investors, including Mr Field, backed Sir James's unsuccessful attempt to break up BAT Industries, the tobacco and financial services group.

Mr Roland Franklin's own company, Pembridge Associates, contributed £31m. Mr Franklin paid almost 15 times DRG's last audited earnings.

After the takeover, DRG's stationery group, which included Basildon Bond, Lion and Challenge, was sold to Biber Holding, a Swiss company, for an undisclosed sum in 1990.

Last year Sellotape, Britain's best-selling adhesive tape, was bought by a team of French industrialists, backed by French bankers, for about £70m.

DRG Packaging, which was sold yesterday, had originally been identified by Pembridge as the core business on which it intended to focus.

A specialist in plastic packaging, it supplies the medical packaging market and is a leading supplier of rigid plastic food containers in the UK. Last year it made operating profits of £18.7m.

Mr Martin Franklin said that after yesterday's sale, Pembridge retained the Strachan Henshaw machinery business in the UK, which has an annual turnover of £15m; some Canadian holdings in paper converting and packaging, which he said were worth about £20m; and property holdings, worth an estimated £30m.

Deal simplifies ADT

By Richard Gourlay

MR MICHAEL ASHCROFT, the controversial head of ADT which yesterday sold its indirectly held 49 per cent stake in Cope Allman Packaging, might be forgiven for crowing.

The sale places a £117m price tag on the stake which many analysts have found *extremely difficult to value. Not only does it* reduce ADT's debt, more importantly, it clarifies parts of ADT's often complicated relationships with affiliate companies which have created misunderstanding and suspicion among shareholders, and markets in general.

Yesterday's 37p rise in the share price to 500p reflects the value of the deal to ADT.

It is possibly the first good news ADT has had to announce after last year's public fight with its largest shareholder, Laidlaw, and a grim period of watching the falling values of investments in companies like Lep and Christies.

ADT is not receiving the £117m in cash immediately. At completion Bowater will pay £58m in cash with a further £9m over three years. In addition Bowater will give ADT a £50m transferable and interest bearing loan note.

After the cash, this aspect of the deal is the most valuable to ADT. Instead of holding £102m in loan notes of uncertain value from Quoteplan, the subsidiary which owned Cope Allman, it now has marketable Bowater paper.

ADT sold its 49 per cent stake in Quoteplan to *Sechura, its Canadian affiliate, in 1990 for* C$90m, (£43m), financed by loan notes from ADT.

At the last interim stage, ADT wrote down the value of its Sechura loan notes. As a result it is understood ADT will have to make only a small write-down on these notes. Sechura, where Mr Ashcroft and his wife now have a 29 per cent stake, will then be an empty shell with *no assets and no liabilities.*

The end of ADT's Sechura chapter should go some way to clearing up what had become something of a hallmark of the Ashcroft way of management - the shuffling of assets between ADT affiliates and related companies which pass the auditors' scrutiny but leave shareholders and the City somewhat suspicious.

In the 1990 accounts, for example, ADT did not take a 49 per cent share of Quoteplan's £10.3m net attributable loss into its own profit and loss account. Instead it took a profit on the sale of Quoteplan to Sechura.

The sale also profitably ends Mr Ashcroft's involvement with Quoteplan which started with a failed bid in 1983 and led to a leveraged buy-out in 1988 at a time when debt financing was readily available.

Had Quoteplan been floated at some future date – the intention was to float last December but market conditions were not propitious – ADT might have shared a slice of a larger pie.

But few shareholders worried about ADT's debt would begrudge Mr Ashcroft acceptance of Bowater's offer. Had he not, ADT would still now be the largest creditor to a debt-laden business, *neither a fashionable position to be in* these days nor consistent with Mr Ashcroft's new strategy of reducing gearing.

MTM's warning on profits prompts shares to dive 21%

By Richard Gourlay

SHARES IN MTM yesterday fell by 60½p to 226p after the specialist chemicals company warned that its profits for 1991 would fall substantially below City expectations.

At one time the share price fell to 180p.

The company said it was discussing with Binder Hamlyn, *its auditor*, the application of certain accounting policies, in particular in relation to the valuation of some fixed assets.

MTM said it expected to recommend a final dividend of 3.73p, giving a total for the year of 5.6p, up from 5.1p in 1990. The company said its trading performance showed a sound, profitable business which demonstrated strong growth. MTM will now report on March 31 instead of this Thursday.

The offending practice which caught the auditor's eye this year was MTM's capitalisation of some product and process costs. In previous years Binder Hamlyn had gone along with MTM's treatment of the process development costs as intangible assets.

The impact of the auditor's change of interpretation, according to one analyst, appears to be to the reduction of pre-tax profits – forecast until yesterday at about £23m for the year – by between £2.5m and £4m.

MTM said the full impact of the accounting interpretation has not yet become clear.

Ultimately the tightening of the interpretation might work in MTM's favour, analysts believe. The change has no cash impact and MTM's shares have been trading at a discount to the chemical sector partly *because of doubts about* this less than conservative approach to the valuation of intangibles.

European Leisure passes preference dividend

By Roland Rudd

EUROPEAN LEISURE, the entertainments group, is to pass this year's dividend on its preference shares in the light of a profit warning it gave yesterday.

The group is expected to announce later this month that interest payments on its borrowings, which are now in excess of £72.5m, have wiped out operating profit for the half year to the end of December. *The shares fell 2p to 5p.*

In the first half of the year to June 1991, pre-tax profit nearly doubled from £2.26m to £4.42m.

Passing the dividends due in April and October will save £1.5m, including ACT.

A comprehensive review of strategy and trading operations is likely to lead to the sale of a number of assets in the UK and the Continent.

The disposals are expected to be made at about half their valuation, resulting in a write-down as an exceptional item for the half year.

The group, advised by the *merchant bank Charterhouse*, has reached agreement with its banking syndicate for the provision of additional borrowing facilities through to April 1993.

Securiguard board takes pay cut

Directors at Securiguard, the security, cleaning and personnel services group, have taken a pay cut.

The report and accounts for the year to November 3 1991 show a reduction in the top management pay bill from £679,000 to £523,000. The remuneration of the chairman and highest paid director was cut *from £195,000 to £162,000.* There was also a £287,000 payout for loss of office.

Vestey arm poaches second Lonrho chief

By Roland Rudd

LONRHO, the international trading group, has lost its second executive within two *months to Union International* (UI), the troubled arm of the Vestey Group, one of Britain's largest private companies.

Mr Paul Taylor, a former finance executive of Lonrho, who was part of a senior team evaluating projects and capital expenditure, has been appointed finance director of UI.

He was recruited by Mr Terry Robinson, UI's chief executive, who in January left Lonrho where he had been a *director since 1981.*

A businessman with an intimate knowledge of Lonrho yesterday described Mr Taylor's departure as a "loss" to the group.

He said Mr Taylor was "a bright financial executive" who had responsibility for assessing and reviewing "significant capital projects".

Lonrho's annual report revealed that Mr Taylor was one of 10 new associate directors designed to show that the *group has the "depth and* breadth of management" to end speculation about the succession to Mr Tiny Rowland, its 74 year-old chief executive.

The conglomerate yesterday made light of Mr Taylor's departure. A Lonrho director said: "The company went on without Mr Robinson and it will go on to manage its business very well without Mr Taylor. We do not rely on one man."

It is understood that Mr Tay*lor will work closely with Mr* Robinson on finalising the details of UI's three-year funding facility with its bankers.

UI, which includes the Dewhurst butchers chain, is expected to publish its 1991 results in the summer once the funding facility has been agreed.

The group has borrowings of about £350m.

Director quits top post at Ashley Group

By Angus Foster

SHARES IN Ashley Group, the window blind distributor and food retailer in Spain, jumped 8p to 50p yesterday following the resignation of Mr Anthony Butler, the chief executive.

Mr Butler resigned following disagreements over group strategy. Ashley has been under pressure from some institutional shareholders to make changes since it released a profits warning in October, leading to a fall in the share price from about 100p to 32p last month.

Yesterday's steep rise was also due to bid speculation concerning Ashley's break-up value. But Mr Chris Tipper, finance director, said: "We've had no form of notification of any stake building in the company and we have not seen any evidence."

Mr Butler's successor has not been named and Mr James White, chairman, said the senior management structure of the group was now under review. The company is also concentrating on trying to improve its supermarkets business in Spain, Mr White said.

Mr Butler built up Ashley through acquisition after joining in 1988 from Dee Corporation, which later changed its name to Gateway.

Ashley moved into food retailing in Spain with the acquisitions of Digsa in 1988 and Dismo in 1990. Ashley also built up its window blind network with acquisitions in the UK, Germany, France and the Netherlands.

But after rapid growth in the late 1980s, Ashley's pre-tax profits for the year to end-August were flat at £13.7m.

Resignation of Lucas finance head 'a matter of personality and style'

By Paul Cheeseright, Midlands Correspondent

MR DAVID Hankinson, the finance director of Lucas Industries, resigned yesterday after personality clashes in the group's management team.

The auto and aerospace components and applied technology group made a sparse announcement to the Stock Exchange, noting merely the resignation and promising a further statement on the appointment of Mr Hankinson's successor.

The resignation has happened at a sensitive time for Lucas. Its interim figures are due at the end of the month and are expected to record break-even at best. Downturns in both the aerospace and vehicle markets have been met by a series of cost-cutting measures.

The message Lucas was sending to the City last night was that the resignation would not affect its dividend policy. With the profit and loss account at break-even, the likelihood was that the interim dividend would be maintained at the 1990 and 1991 level of 2.1p.

Against this background, Lucas was anxious to offer the reassurance that there was "nothing sinister" in Mr Hankinson's resignation. What had happened "can happen in any family or team", the group said.

The resignation came "as a matter of personality and style within the Lucas management team", the group added. Tensions in this team had evidently reached such a point that somebody had to go.

The members of the team were Sir Anthony Gill, chairman and chief executive, Mr Tony Edwards, managing director of aerospace, Mr Bob Dale, managing director of automotive, Mr Brian Mason, personnel director and recently promoted to the board, Mr John Parnaby, managing director of applied technology, who is not on the board, and Mr Hankinson himself.

But Mr Hankinson's departure follows a reshuffle of responsibilities. Sir Anthony's job is being split. He will remain as chairman, but Mr Edwards won the job of group managing director.

Mr Hankinson, who is 52, has been finance director at Lucas for just short of three years.

Previously he had been finance director at Chloride Group and at Rover Group, in each case for periods also of three years.

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Pirelli Financial Services Company N.V.

US$ 50,000,000 Guaranteed 7% Convertible Bonds Due 1995

Bondholders are hereby informed that following the issue of SIP shares resolved upon on December 16th, 1991, in accordance with Condition 13 (d) (ii) of the first schedule of the Trust Deed, the subscription Price of SIP Bearer Shares and Bearer Participation Certificates for the bonds is Sw. Fr. 238 per Share and of Sw. Fr. 264 per Participation Certificate.

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Curious similarity leads GrandMet to $500m suit

By Nikki Tait in New York

WHAT'S THE difference between a "Curious Kid" and a "Burger King Kid"? Far more than a hamburger may rest on the answer.

Grand Metropolitan, the British food and drink group which owns the US-based Burger King chain, has become the target of a US lawsuit which claims that the cartoon characters used to promote the Burger King Kids Club were essentially copied from an earlier cartoon idea, called "The Curious Kids".

The plaintiff is CK Company, a general partnership linked to a small New York-based company called Gould & Reichman and which holds the copyright to the Curious Kids characters.

The damages claimed are anything but modest: CK Company is asking for $500m (£286m).

The lawsuit says the Curious Kids were devised in the late seventies "to teach elementary science-concepts and reading skills and focus on social issues."

The Burger King Kids Club, on the other hand, is used as a marketing tool to entice young hamburger eaters into the chain's outlets.

The nub of the CK case is that the Burger King Kids have mimicked many of the Curious Kids features.

One character in both strips is in a wheelchair; one is an Afro-American boy; there are three Caucasian boys in each, and two Caucasian girls.

The Curious Kids have a dog called Morty; the Burger King Kids one called Woofer. And both "gangs" play musical instruments, and have one boy and one girl vocalist - Kid Vid and Boomer in the case of Burger King, or David and Tracey for the Curious Kids.

DIVIDENDS ANNOUNCED

		Current payment	Date of payment	Corres - ponding dividend	Total for year	Total last year
ASW	fin	4.5†	May 19	8	9	12.5
Billam (J)	fin	2.64	May 4	2.4	4.28	4.04
Bowater	fin	12.5	May 29	11.5	22	21
Braime (TF & JH)	fin	6.5	May 5	5.5	8.75	7.25
Doeflex	fin	2.7	May 18	2.7	4.02	4.02
Domestic & Gen	int	6	May 7	4.5	-	15
Lilleshall	fin	2.5†	May 29	2.45	4	3.9
Thorpe (FW)	int	0.8	Apr 3	0.7	-	2.15
Unidare	fin	10.9♣	May 5	10.3	15	14.2

Dividends shown pence per share net except where otherwise stated. †On capital increased by rights and/or acquisition issues. ♣Irish pence.

BOARD MEETINGS

TODAY

Interims- Butte Mining, Hays, Intereurope Tech Servs, Microfilm Reprographics, Pifco.

Finals- AAF Inv, Abbey National, Admiral, BICC, Burnfield, Commercial Bank of London, Cowie (T), Excamet Intl, Feons, GT Chile Growth Fund, General Accident, Grahams Rintoul Inv, Gresham Telecomputing, Hampden Homecare, Instem, Serco.

FUTURE DATES

Interims-

Community Hospitals	Mar. 23
Majedie Inv	Apr. 29
TR City of London Trust	Mar 5

Finals-

Ansbacher (Henry)	Mar. 11
BTR	Mar 12
Blagden Inds	Mar. 18
Britannic Assurance	Mar. 18
City & Commercial Inv Tst	Mar. 4
Clarke (T)	Mar. 12
ECC	Mar 23
Edmond	Mar. 12
Emess	Mar. 12
Epwin	Mar 24
Greggs	Mar 9
HTV	Mar. 27
Hunting	Apr. 16
Kleinwort Smaller Co's	Mar. 11
Morrison (Wm)	Mar. 26
Persimmon	Mar. 9
Plaxtons	Mar. 10
Portals	Mar. 18
Severn Trent	Jun. 18
Sharpe & Fisher	Mar. 23
Singapore Para Rubber	Mar. 5
Smith & Nephew	Mar. 19
Stag Furniture	Mar 19
Takare	Mar. 9
Taylor Woodrow	Apr 14
Thornton Pan-European	Mar. 12

Chelsea given completion date for ground purchase

By Jane Fuller

MARCH 26 has been set as the date when Chelsea Football Club should complete the £22.85m purchase of its west London ground from a subsidiary of Cabra Estates, the heavily indebted property company.

The date has been agreed by both sides, but Chelsea has described this as a matter of routine and plans to appeal against the recently imposed High Court order to complete the purchase.

"Hopefully by the end of the week we will *apply for a stay* of the order to pay £23m," said Mr Peter Taylor of Denton Hall Burgin & Warrens, the club's solicitors.

Chelsea is continuing to pursue a claim for damages against the vendor. Its aim is to get a damages award set against the purchase price. Last week's judgment was not favourable to this line of argument and Chelsea also intends to take this claim to appeal.

Cabra, which last week announced a pre-tax loss of £11.3m for the six months to September 30, wants to get the money in before its March 31 year-end. It would help to reduce net debt of about £52m, which is on demand.

Asda set to appoint Lazards as adviser

Asda, the Leeds-based grocery chain, is likely to see a further strengthening of its board this week as Mr Archie Norman, the recently-installed chief executive, continues to construct a new management team around him.

The company also seems set to appoint Lazards as its new financial advisers.

Asda confirmed yesterday that Warburgs had been removed as financial advisers partly as a result of its involvement in advising Asda's arch rivals, J Sainsbury and Isosceles (which runs the Gateway chain).

The move follows a close review *of Asda's* relations with all its professional advisers.

£40m missing from AGB pension fund

By Raymond Snoddy

ABOUT £40m is missing from the AGB Pension Scheme. This was confirmed by Clay & Partners, the pension fund trustee which is winding up four private Maxwell pension funds.

Mr Alan Fishman of Clay said that the fund for the employees and management of AGB Research, the market research company, would have access to about £20m in assets. There should have been more than £60m.

About £8m is in the form of assets managed by two external investment managers, Invesco MIM and Legal & General and is seen as secure and readily available. An estimated £12m is held in the Maxwell Common Investment Fund managed by Bishopsgate Investment Management, but may not be available for months or even years.

Mr Fishman believed it would take £16m to meet the entitlements of the AGB fund pensioners, £23m for remaining members and a further £14m for bulk transfers covering groups of people who have moved because of restructuring or sale of a division.

If pensioners had first priority they would be likely to get their payments in full but the benefits of those still working would be cut substantially. If the courts decided that the bulk transfer payments should be made ahead of pensioners the position would be very different.

"In this case, current pensions will have to be cut back and the remaining members will receive no benefits," Mr Fishman warned yesterday in a letter to fund members.

The detailed breakdown of likely assets of the private pension funds comes in the wake of last week's announcement from Robson Rhodes, provisional liquidator to Bishopsgate Investment Management, that £237m had been recovered out of the £695m sought.

Mr Fishman found that the circumstances of the individual private Maxwell funds varied.

About £2.3m has been recovered of the £3.2m assets of the Maxwell Media Pension Plan. This means that current pensions are likely to be met in full although the benefits *of remaining* members will be significantly cut.

The Headington Pension Plan, however, has a holding of about £1.8m, instead of the £11m. In this case there is not enough money to cover payments to pensioners, unless other assets are recovered.

Mr Kevin Maxwell is to be forced to answer questions from the receiver of Adviser (188), the family company which began the collapse of the Maxwell empire when it defaulted in December last year on a £56m loan from the Swiss Bank Corporation.

UK COMPANY NEWS

Low steel prices cut ASW to £2.3m

By Jane Fuller

FALLS IN steel prices of between 10 and 20 per cent hit profits at ASW Holdings, the Cardiff-based steel and wire group. It made only £2.3m before tax last year, compared with £40.3m in 1990.

ASW cut its final dividend from 8p to 4.5p, making a total of 9p (12.5p). The share price fell 7p to a new low of 131p.

Mr Alan Cox, chief executive, said that in 1990 prices in Europe had been the same as in 1985. "From that point, they came down by at least 10 per cent and in some cases by 15 to 20 per cent."

This accounted for the bulk of the £31.6m decline in operating profit to £9m. Exceptional charges for a further round of cost-cutting amounted to £6.8m (£1m).

Mr Cox said there had been no closures, but 200 jobs had been shed and more were to come.

"We are one of the lowest cost producers in Europe and we are competing in an arena where the whole industry is losing a lot of cash."

There have been complaints from some producers about state subsidies sustaining the low prices. Mr Cox said it was not only state-owned companies that were "losing cash in a way that we would find difficult", but also parts of large groups.

Differing financial systems also played a part.

Group turnover fell 14 per cent to £390.7m (£454.8m). An increase in sales outside Europe from £13.9m to £37m could not offset the near £86.7m fall within it. However, Mr Cox pointed out that this was partly because the group no longer needed to buy in billet to satisfy UK demand. Little profit had been made on that transaction.

ASW held cash of about £1m compared with £24.4m in December 1990. This was after paying nearly £18m for Bird Fragmentation, the scrap metal group, plus tax and dividends.

Capital spending had been kept at nearly £10m.

Losses per share were 1.9p (earnings 37.1p). The retained loss was £7.2m (£16.1m profit), reducing 1990 shareholders' funds of £152m.

Alan Cox: one of the lowest cost producers in Europe

● COMMENT

ASW gained some credit for staying in the black at the operating level and for conserving cash, while many of its competitors lost out on both counts. The exceptional charges look high, but at least the decks should have been cleared for this year. The group clings tenaciously to its reputation as one of Europe's lowest cost producers, which should bode well when the long-awaited upturn in European prices arrives. The big question is when will it arrive? And the answer is a lottery. One analyst is forecasting £10m pre-tax if prices for some products, such as wire rod, start to rise in the second quarter. Another is going for £5m on the assumption there will be no improvement until the third quarter. While prices have stopped falling, there has so far been little action, such as a wave of closures, to effect a rationalisation of capacity. The prospective p/e is 13 even on the more optimistic figure. However, the yield of just over 9 per cent looks fairly secure (even though the interim may be cut) and should support the price.

Lilleshall declines to 'creditable' £2.4m

By Angus Foster

LILLESHALL, the building products, plastics, engineering and industrial consumables group, announced pre-tax profits down from a restated £2.77m to £2.4m in the 1991 year.

Turnover increased to £36.4m (£33.9m) as a number of acquisitions made during the year contributed for the first time.

Mr John Leek, the former merchant banker who has built up the company since taking over as chairman in 1988, described the results as "a creditable performance in a difficult trading period".

The building products division, which mainly sells to local authorities and housing associations, improved operating profits to £2.51m (£1.76m), helped by a seven-month contribution from Malysse, the French subsidiary acquired in May.

Industrial consumables slipped into an operating loss of £619,000, against a £756,000 profit last time. This was mainly due to lower prices for the company's steel fasteners. But Mr Leek said overheads had been cut and the division was now breaking even.

Earnings per share fell to 7.5p (12.9p). A recommended final dividend of 2.5p makes a total of 4p (3.9p) for the year.

Since the year-end Lilleshall has acquired two companies, Crystalware Products and Bradgrange Packaging, to expand its plastics business. Mr Leek said further acquisitions would be looked at, especially if they allowed the company to increase exports and exposure to Europe.

Petrocon bid 'undervalues Wilkes potential'

By Richard Gourlay

MR ARTHUR Watt, chairman of James Wilkes, the engineering group which is fighting a bid from Petrocon, yesterday claimed the company's worst problems were behind it after the recent departure of its "spendthrift" chairman. He called on shareholders to reject the all-paper offer.

He said the bid was opportunist and took advantage of the lack of support for Mr Stephen Hinchliffe, the former chairman who resigned after Petrocon launched its bid. The bid, now worth £32m, was launched on the back of overvalued Petrocon shares and would grossly undervalue Wilkes' potential and the strength of its core engineering companies, Mr Watt said.

Under Mr Hinchliffe's buccaneering leadership Wilkes' central costs grew almost as quickly as the company's debt. The head office operation in a stately house outside Sheffield included a helicopter company.

Mr Watt said that after disposal of non-core businesses, including the helicopter company and a promotional products division which is one of the world's largest maker of beer mats, debt could be brought down from an "excessive" £27m to nearer £10m for gearing of about 60 per cent.

Mr Watt now plans to try to convince institutions that he is better qualified than Mr Colin Robinson, Petrocon's chairman, to head a slimmed-down Wilkes and give shareholders their first decent return on their investment.

As Wilkes posted its defence document, Petrocon continued to question whether Mr Watt was suitable to lead Wilkes given his association with Mr Hinchliffe and various aspects of his business career.

Petrocon advisers pointed out that Mr Watt was a director of a Scottish company, Computer Services (Scotland). He resigned one month before it went into receivership leaving unsecured creditors with a deficit of £400,000.

Mr Robinson also refuted Wilkes' claim that there were no commercial benefits. After Petrocon buys Beverley, a company making fluid pumps valves and pipe fittings, which is controlled by Mr Robinson, there would synergy with Wilkes' core businesses.

Takeover talks at Dalepak

By Roland Rudd

DALEPAK FOODS said yesterday that it was in preliminary discussions to sell part, or all, of the company.

The announcement was prompted by a 71p increase to 433p in the company's share price.

Stockbrokers de Zoete & Bevan have approached a number of possible buyers following the decision by Mr Jonathan Ropner, Dalepak chairman, to sell his 20 per cent shareholding. The five other executive directors own just under 30 per cent of the group.

The sale is likely to make multi-millionaires out of the directors as the group is valued at about £50m.

Although de Zoete & Bevan stressed that the talks were at a "very, very preliminary stage", the group is expected to be sold to one buyer.

Dalepak made pre-tax profits of £3.02m for the year to end-April and analysts are forecasting continued profits growth over the next two years.

Smith & Nephew $19m SoloPak sale

Smith & Nephew has sold its SoloPak division, which makes pharmaceuticals for the US market, to Ivax Corporation for $19m (£10.8m) cash.

The disposal was made because the loss-making SoloPak's products did not fit with Smith & Nephew's international healthcare range.

Net assets on sale are approximately $25m: SoloPak's operating losses in 1991 were $1m.

Ivax's interests include chemicals, pharmaceuticals and medical diagnostics.

Domestic & Gen up 28%

DOMESTIC & General Group, the appliance breakdown insurer, lifted profits by 28 per cent, from £2.13m to £2.73m pre-tax, in the half-year to December 31.

The lack of any upturn in retail sales of electrical appliances resulted in growth of new business premiums slowing. However, Mr Martin Copley, chairman, said increased direct mailing activity had led to improved numbers of annual contracts being sold over the past two years and that this had led to higher levels of renewal premiums.

"Margins have improved, with expenses growing at a slower rate than written premiums," he added.

Gross premium income amounted to £21.4m – an improvement of 36 per cent – while investment income rose some 17 per cent to to £2.63m. Strict claims controls maintained loss ratios at "acceptable levels".

Earnings per share rose almost 35 per cent to 26.74p (19.85p). The interim dividend goes up by 1.5p to 6p.

NEWS DIGEST

Allied-Lyons refocusing continues

ALLIED-LYONS, the drinks, food and retailing group, has sold three Scotch whisky brands, Grand Macnish, Lauder's and Islay Mist, to MacDuff International, the Glasgow-based independent.

It has also sold the UK distribution and marketing rights for Three Barrels French brandy to United Distillers, the Guinness spirits company.

The two deals, worth a total of between £20m and £30m, according to industry estimates, mark further steps in Allied's strategy of focusing its marketing on its portfolio of international brands which includes Ballantine's, Teacher's and Long John.

The disposal of the whiskies, with total annual sales of about 170,000 cases, includes all inventories and the worldwide rights for the brands, with the exception of the US rights for Lauder's.

Three Barrels was formerly handled by Showerings, the cider company which Allied has sold to its management for £140m.

National Counties Building Society

National Counties Building Society made a reduced pre-tax profit of £8.08m for 1991. The figure was down from £8.77m in the previous year after mortgage loan loss provisions were increased from £145,000 to £878,000.

Total assets rose from £305.8m to £339.8m.

The society had a cost:income ratio of 17.2 per cent, up from 16.3 per cent. Reserves were 20.3 per cent of its share and deposit liabilities, among the highest for the industry.

Exceptionals help Unidare hold profit

Unidare, the Irish maker of welding consumables and equipment, conductor cables and wire products, maintained its profit in 1991 with the help of exceptional credits.

Pre-tax profit came to I£5.09m, or £4.72m, compared with £5.07m previously. There were I£231,000 credits, being surplus on sale of land less rationalisation costs.

Turnover rose to I£101.4m (I£99.7m) with the UK accounting for two thirds. The wire division suffered a significant setback; the welding side was hit by the slump in demand for capital equipment but buoyancy in construction of offshore oil production platforms and in pipe fabrication underpinned the performance of the division.

Unidare Environmental, involved in electric space heating products, swung from losses to a small profit.

Earnings per share were 28.33p (26.23p). The final dividend is 10.9p for a total of 15p (14.2p).

Reduced overheads behind Billam surge

J Billam, the specialist engineering group, lifted pre-tax profit from £117,000 to £306,000 in 1991. Turnover, however, showed a 15 per cent reduction.

That reflected the considerable time spent on reducing head office overheads and tightening control over costs and working capital. Gearing was cut from 70 per cent to 47 per cent.

Turnover came to £5.85m (£6.9m), producing an operating profit of £508,000 (£432,000), which was boosted by a cut in interest charges to £95,000 (£139,000) and a reduction in the exceptional charge to £107,000 (£176,000).

Earnings per share trebled to 13.3p (4.2p). The final dividend is 2.64p to make 4.28p (4.04p).

BDM to seek full listing

British Data Management, the subject of a management buy-in from the Britannia Security Group in 1989, is seeking a full listing for its shares within the next few weeks.

The shares are being placed by NM Rothschild and broker to the issue is Smith New Court. Following flotation, the company, a specialist provider of data storage and management services, is expected to have a market capital of £25m.

For the year to end-June 1991 BDM returned pre-tax profits of £1.33m on turnover of £12.68m.

Interest costs cut Doeflex to £1.24m

Doeflex, the maker of specialist plastic materials, overcame its difficult first quarter to produce an increase of 13 per cent in operating profit over 1991.

However, pre-tax profit declined 3 per cent, from £1.28m to £1.24m, reflecting additional interest costs associated with the purchase of the freehold of the Swindon factory.

Turnover improved marginally to £18.6m (£18.1m). The group was not immune to the depressed conditions in the construction and DIY markets, but significant growth was coming from products introduced over the past two years.

Earnings per share worked through at 10.59p (10.21p) and the final dividend is 2.7p for an unchanged total of 4.02p.

Gearing at the year-end was 118 per cent but a favourable cash flow was expected this year.

Half year upturn for FW Thorpe

FW Thorpe, a maker of industrial and commercial lighting equipment, lifted net earnings from 3.25p to 3.4p in the half year to December 31, and is raising the interim dividend from 0.7p to 0.8p.

Turnover rose to £6.93m (£6.67m) and pre-tax profit reached £630,000, against £616,000.

Order intake for the opening two months of 1992 was encouraging. If that trend was maintained full year results would show further improvement, and would confirm the group was continuing to obtain a greater share of an exceptionally competitive market.

Rights and Issues renews growth

Rights and Issues Investment Trust renewed its progress in 1991, after the difficulties of the two previous years.

Net asset value of the capital shares rose from 301.7p at the end of 1990 to 357.8p at the end of 1991 while the income shares rose from 90.3p to 102.2p.

Income for the year totalled £588,000 (£492,000) and net revenue was £328,000 (£319,000).

Earnings per income share came to 7.446p (8.2p) and the final dividend is 5.8p for a total of 8p (7.5p). Earnings per capital share were 0.372p (0.41p) and the final payment is 0.4p to make 8.1805p (6.9375p).

Braime shows 82% advance to £0.67m

An 82 per cent advance in pre-tax profit for 1991 was achieved by TF & JH Braime, a finished metal products, forging, pressing and stamping group.

Profit totalled £668,000 (£367,000). Trading surplus jumped to £550,000 (£233,000), generated from turnover 31 per cent higher at £7.27m (£5.57m).

Earnings per share doubled to 30.22p (15.61p). The dividend is raised 1.5p to 8.75p, with a final of 6.5p.

Asset rise for Merlin Intl Green

Net asset value of Merlin International Green Investment Trust was 90.48p at end-1991, compared with 83.2p a year earlier.

Net revenue fell to £830,000 (£1.26m) for earnings per share of 3.3p (5p). The final dividend is 1.65p for a total of 3.15p, against 3p plus a special 1.25p inaugural payment.

Cash injection for Alphameric

Alphameric, a loss-making computer equipment company, has secured its survival by raising £4.3m through a placing and open offer.

Directors warned recently that without the cash injection the group would be unlikely to be able to continue trading. Over 50 per cent of the shares offered were issued to existing shareholders with the balance going to new institutional and private shareholders.

Alphameric, which specialises in custom keyboards, electronic point of sale and satellite data broadcast systems, said it had a healthy forward order book with contracts from Alcatel and Groupe Bull of France, ICL, IBM, Microvitec, Linwood and Reuters.

In the first six months of the current year the company incurred a loss of £377,000.

Harrington Kilbride on line with £1.27m

Harrington Kilbride, the magazine group which came to the main market in December, reported pre-tax profits of £1.27m in 1991.

This was in line with the prediction of not less than £1.25m given by Mr Kevin Harrington, founder and managing director, in the prospectus.

The rise from £1.01m was achieved on turnover up 50 per cent to £9.19m (£6.11m).

Among the company's titles are Baby, Royal Dempster's and several business journals.

Earnings emerged at 10.2p (8.1p) per share and, as was explained in the prospectus, there will be no dividend, though a payment at the interim stage of the current year is envisaged.

Change to FT Fixed Interest Index

The following change will be made to the FT Fixed Interest with effect from March 2 1992:

Bass 4 per cent cumulative preference shares of £1 will be replaced by National Westminster 9 per cent non-cumulative preference shares.

COMPANY NEWS IN BRIEF

BIRSE GROUP has sold its Birse Communication subsidiary to Sirti, part of the STET Italian telecommunications group, for £1.3m. Sirti will also take over borrowings of £3.4m.

BOSTROM is paying an initial £315,000, in 251,895 shares which will be placed, to acquire Stokes, which makes presswork chiefly for Land Rover. Bostrom will also place a further 651,520 shares to raise some £814,000 in order to cut borrowings. Bostrom half year profit fell 58 per cent, but the directors have forecast a maintained dividend for the year.

BRENT WALKER has said the £35m interim facilities granted since July 1991 and the global facilities agreement have been extended until March 31 as it has not yet been possible to implement the restructuring.

BRITISH ASSETS Trust is paying a first interim dividend of 1.04p (1p). The board says the payment indicates a total of not less than 4.16p (4.04p) for the year to the end of September.

BROWN & TAWSE is withdrawing from the business of Brown & Tawse Plant, which has the sole agencies for the distribution of Montabert rockbreakers and Hanix mini excavators within the UK and Ireland. It is no longer considered a strategic fit within the group.

CLAYHITHE has paid £758,000 cash for a 29.9 per cent stake in Laser-Scan, which produces geographic information systems. Laser-Scan's pre-tax profit in 1990 was £769,000.

JF PHILIPPINE Fund: net asset value at December 31 was $8.07, against $6.80 last time and $8.35 six months previously. Net deficit for the six months to December 31 was $83,709 (income $1.03m).

JF PACIFIC Warrant: Net asset value $6.40 ($8.89) at end of six months to December 31. Deficit per share 15 cents (12 cents).

Sime Darby

Sime Darby Group

INTERIM ANNOUNCEMENT

HIGHLIGHTS OF UNAUDITED CONSOLIDATED RESULTS FOR THE HALF-YEAR ENDED 31ST DECEMBER 1991

	1991 M$ Million	1990 M$ Million	% Increase
TURNOVER	3,106.8	2.699.1	+15
PROFIT BEFORE TAXATION	358.8	320.1	+12
EARNINGS	156.4	141.5	+11
EXTRAORDINARY PROFITS	3.9	105.7	
	Sen	Sen	
EARNINGS PER SHARE	10.0	9.1	+10
DIVIDENDS PER SHARE – GROSS	3.5	3.5	

Profit before tax of M$358.8 million is 12% higher than that achieved in the first six months of the last financial year. All major Group businesses except DMIB, Tractors and Insurance reported higher profits.

Barring unforeseen circumstances, the Board believes that profits will continue to be earned in the second half of the year at about the same level as in the first six months.

Notice to the Warrantholders of

Eisai Co., Ltd.

U.S.$300,000,000 4 ¼ per cent.
Bonds due 1993 with Warrants to subsribe for shares of common stock of Eisai Co., Ltd.

Pursuant to the Terms and Conditions of above-mentioned Warrants, Notice is hereby given as follows:

At the meeting of the Board of Directors of the Company held on 2nd March, 1992, resolution was adopted on the issue of new shares by stock split (equivalent to free distribution of shares) as set out below:

(1) The stock split will be made to the shareholders of record as of 31st March, 1992, Tokyo Time (the record date) at the rate of 1.1 new shares for each one share; provided that any fractional new shares resulting from the stock split will be sold by the Company and the proceeds thereof will be distributed to the shareholders according to their fractional shares.

(2) The stock split will become effective on 20th May, 1992.

Pursuant to the Clause 3 of the INSTRUMENT, subscription price of the Warrants will be adjusted, effective as from 1st April, 1992, Tokyo Time, as follows:

Subscription Price before adjustment: ¥2,098.00
Subscription Price after adjustment: ¥1,907.30

Eisai Co., Ltd.

3rd March, 1992

6-10, Koishikawa 4-chome, Bunkyo-ku, Tokyo, Japan

Prices for electricity determined for the purposes of the electricity pooling and settlement arrangements in England and Wales.

½ hour period ending	Provisional Price for Trading on [illegible]: Pool purchase price £/MWh	Final Prices for Trading on [illegible]: Pool purchase price £/MWh	Pool selling price £/MWh
0030	17.04	17.17	17.17
0100	17.08	17.46	17.48
0130	19.10	17.48	17.48
0200	19.15	17.48	17.48
0230	17.56	17.18	17.18
0300	17.04	17.17	17.17
0330	17.04	17.16	17.16
0400	17.03	17.15	17.15
0430	17.02	17.13	17.13
0500	17.02	17.13	17.13
0530	17.03	17.13	17.13
0600	17.04	17.13	17.13
0630	17.05	17.14	17.14
0700	18.96	17.43	17.43
0730	18.98	18.82	20.89
0800	18.99	18.88	20.76
0830	18.69	18.97	20.85
0900	19.17	19.16	21.08
0930	18.70	22.96	24.98
1000	19.18	22.98	25.01
1030	19.18	22.98	25.00
1100	19.18	22.96	24.98
1130	19.18	22.97	25.01
1200	23.22	22.98	25.02
1230	23.22	22.96	25.00
1300	19.17	22.93	24.95
1330	18.69	19.23	21.11
1400	18.69	19.22	21.10
1430	18.99	19.06	20.93
1500	17.07	19.03	20.90
1530	17.07	19.04	20.91
1600	17.07	19.10	20.98
1630	18.99	20.00	22.12
1700	19.37	33.41	37.86
1730	19.78	48.12	55.07
1800	21.46	50.84	57.81
1830	23.45	43.37	49.03
1900	23.37	27.48	30.47
1930	21.39	23.01	25.17
2000	21.23	21.74	23.89
2030	19.74	19.06	20.92
2100	18.99	18.90	20.76
2130	18.99	17.98	19.80
2200	18.62	17.46	17.46
2230	17.34	17.15	17.15
2300	17.03	17.10	17.10
2330	17.52	17.06	17.06
2400	17.02	17.06	17.06

Prices are determined for every half-hour in each twenty-four hour period. Prices are in pounds per megawatt-hour, rounded to two decimal places. To convert prices to pence per kilowatt-hour the decimal point should be moved one place to the left, eg £18.88/MWh becomes 1.888p/KWh. Provision for the determination of pool prices is made in the Pooling and Settlement Agreements which govern the operation of the electricity pool in England and Wales. The Pool Purchase Price is the basis of the majority of payments made to generators in respect of electricity traded through the pool. The provisional Pool Purchase Price is subject to revision or correction until final pool prices are determined approximately twenty-four days after the day of trading. Pool Selling Price is the price paid by purchasers of electricity under the pool trading arrangements. It is dependent upon the determination of Pool Purchase Price. Final pool prices are also capable of revision.

NGC Settlements Limited

ARROW VENTURES N.V.

ESTABLISHED IN CURACAO, NETHERLANDS ANTILLES

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS TO BE HELD ON APRIL 14, 1992

Notice is hereby given that the Annual General Meeting of Shareholders of our company will be held at our offices at 6 John B. Gorsiraweg, Curacao, Netherlands Antilles on April 14, 1992 at four o'clock in the afternoon, for the following

1. To receive the reports of the Managing Director on the progress of business of the Company during the fiscal year ended September 30, 1991.
2. To approve and adopt the audited balance sheet and profit and loss account of the Company for the fiscal year ended September 30, 1991.
3. To re-elect CARIBBEAN MANAGEMENT COMPANY N.V. as Managing Director of the Company for the period expiring on the following Annual General Meeting of shareholders.
4. To re-elect the members of the Board of Supervisory Directors of the Company for the period expiring on the following Annual General Meeting of shareholders.
5. To approve the remuneration of the Managing Director and the members of the Board of Supervisory Directors for the fiscal year ended September 30, 1991.
6. To ratify, confirm and approve the acts of the Managing Director and the members of the Board of Supervisory Directors for the fiscal year ended September 30, 1991.
7. To re-appoint MESSRS. COOPERS & LYBRAND DIJKER VAN DIEN N.A., Curacao as the independent auditors of the Company for the ensuing year.
8. To transact any other business which may lawfully arise at the meeting.

Copies of the audited balance sheet and profit and loss account may be obtained by all shareholders from the offices of the company as well as from the offices of its sponsoring banks.

"Shareholders shall be entitled to vote at the meeting in person or by proxy"

Arrow Venture N.V
By: Caribbean Management Company N.V.

CAL

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24 HOURS

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THE BUSINESS SECTION

appears Every Tuesday & Saturday.
Please contact Melanie Miles on 071-873 3308 or write to her at The Financial Times, One Southwark Bridge, London SE1 9HL.

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What makes us so different? Find out for yourself by ordering our free information package. Just call us direct at (516) 935-4908 from 9 AM to 5 PM EST....Or fax us any time at (516) 935-2284....Or simply cut out this ad and send it to us at: Worldwide Consumer Banking Group, 633 Third Ave., 7th floor, New York, NY 10017 USA

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Floating Rate Unsecured Loan Stock 1990/2010

Interest Rate 10.125% per annum
Interest Period 2 March 1992 to 2 June 1992

Midland Bank plc
Agent Bank

COMMODITIES AND AGRICULTURE

BP strengthens Statoil link

By David Lascelles, Resources Editor

BRITISH PETROLEUM is taking its strategic alliance with Statoil a stage further by selling a 45 per cent stake in a North Sea gas field to the Norwegian state oil company.

BP Exploration announced yesterday that it had agreed to sell the stake in the Hyde field in the southern sector of the North Sea for an undisclosed sum.

BP already has an agreement with Statoil covering gas marketing in the UK, technical research and exploration and selected oil provinces.

This includes a three-way joint venture agreement with Statoil and Norsk Hydro to market Norwegian gas into the UK industrial market, a move that was recently given special approval from the UK government.

BP also said yesterday that it will shortly begin development of the Hyde field, with production scheduled to start in the fourth quarter of next year.

The cost of developing the Hyde field is expected to be in the region of be £65m.

Both the sale of the stake to Statoil and the commencement of development will require an official go-ahead.

The Hyde field lies 40 miles east of Humberside in 100 feet of water and it contains an estimated 135bn cubic feet of gas.

It straddles four blocks. But more than 97 per cent of the reserves are thought to be in a block held 100 per cent by BP, the company said.

According to BP, the field was long considered uneconomical but it had been transformed into a profitable prospect by means of innovative thinking and by new partnership arrangements that would greatly reduce costs.

It is also believed that these techniques may subsequently be applied successfully to many other smaller fields in the North Sea.

To develop Hyde, BP has entered into partnerships with two contractors, UIE Scotland, based on Clydeside, and Glasgow engineers Kvaerner H&G Offshore, under which cost savings would be shared.

BP said that this arrangement would encourage a more cost effective approach among teams engaged on the project.

Hyde will be developed using a small unmanned steel platform. The gas will be produced from three pre-drilled horizontal wells and transported via a new seven mile pipeline to the existing West Sole system for piping ashore.

BP said that a sales agreement for Hyde gas was currently being negotiated and that its details would be announced in due course.

Farmers recite litany of problems

Drought and politics fail to discourage South African managers

FARMER'S VIEWPOINT

By David Richardson

LAST Thursday afternoon I went to a prayer meeting in a field. The congregation consisted of between two and three hundred black workers from the adjacent citrus farm and a dozen or so white South African managers. The Pastor was also white and spoke with a distinctive Glasgwegian accent.

The service began with the singing of a hymn by a small choir of boiler suited black labourers, both men and women. The tune was familiar enough but the rhythm, the harmony and the clapping could only have been African.

There followed impassioned prayers by the Pastor and others who felt so moved, for the rain which was so desperately needed for their crops.

Indeed, there had been similar prayer meetings on the farm on the previous three Thursday afternoons but still those prayers had not been answered.

The so-called rainy season had yielded only about one third of the 1000 or so millimeters expected in this part of the Transvaal and in the meantime daytime temperatures had soared to more than 40 degrees centigrade.

The workers, some of whom were newly independent black farmers operating through a co-operative structure, were facing seriously reduced yields and quality of the fruit they had grown, largely for export to places like the UK, and the reservoirs used for irrigation water were almost empty. So they had paused in their work to seek Divine intervention.

The previous day, I had been 150 miles further south at a cattle auction on a farm near the town of Ermelo. It was an annual sale of breeding stock of the Drakensberger breed developed from indigenous cattle to withstand drought and to thrive on the low quality grazing of the 5000 foot altitudes of the High Veldt. The animals have the black colouring and many of the characteristics of the Aberdeen Angus.

On the way to the farm I had seen crops of maize decimated by the drought. Normally, at this time in the South African late summer, crops of maize should be seven feet tall and be carrying at least a couple of cobs apiece. This year, however, most were barely three feet high and the leaves were brown and scorched. Few plants had any cobs at all.

It was no surprise, therefore, to find that few buyers had turned up at the auction. They had no feed either and the trade was bound to be depressed.

In the event, prices for the quality animals, bred by one of South Africa's top breeders, were down about 30 per cent on those achieved at the same sale last year and the vendor was relieved to be rid of them. He too was desperately short of feed because of drought and the previous week another breeder had been forced to call off an auction at which there were no bids.

Lack of rain is only one of the current preoccupations of South African farmers. Another is the March 17 referendum on continued reform towards majority rule: still another is the depressed state of the South African economy and last but certainly not least is the performance of their team in the World Cup cricket tournament in New Zealand.

Paradoxically, all of these factors seem to have combined to create a generally optimistic mood in spite of the problems both present and potential.

I have so far only travelled through the predominantly English speaking Natal, and the Transvaal but I have yet to meet or hear of a farmer, or anyone else for that matter, who does not support the De Klerk line on reform.

Afrikaans speaking areas may well think differently, but I have not yet been to them.

Reasons for supporting the President's policies are really quite simple, according to those I have met. They see it as inevitable. They readily concede that apartheid has not worked and that it has cut them off from the rest of the world. They blame the present depression in their economy on the withdrawal of investment from South Africa by the US and others and they see reform as the only way attract it back and to reduce inflation and interest rates.

Some farmers I have spoken to claim to be paying up to 28 per cent on borrowed money. They reckon they could survive the drought well enough without such a punitive overhead.

The combination of the two problems at the same time, however, will, they fear, cause several of their neighbours and friends to go bust. For the record, I have not been able to find anyone who thinks it will happen to him; it is always the fellow down the road.

There remains the question of what will happen to the abundant supply of cheap black labour come majority rule. Will black men and women still be prepared to work on farms for the equivalent of £25 per month plus the provision of main meals and very basic housing for their families? Indeed, will some future government of South Africa allow the present structures to continue? The farmers I have met are confident that they will still be in place as owners and employers for many years to come. They are convinced, they say, that a black government will recognise that it cannot do without their organisational expertise and will make it possible for them to continue much as before.

Furthermore, they believe that they have treated their black workers so well in the past that they will be loyal in the future, whatever that brings.

In the meantime, however, many of the farms I have visited feature multi-wire, six feet electric fences surrounding the farm house for protection against marauders.

It is always explained that this is because of the mounting violence and theft by urban based blacks and that the rural workers are one big happy family whose children have grown up with their own. Clearly, however, they are hoping for the best while preparing for the worst.

Meanwhile, back at the cattle auction, the auctioneer interrupted the bidding to announce that South Africa had just beaten Australia in the World Cup. For the rest of the sale, euphoria reigned and I would swear that prices improved slightly.

In a sports mad country like South Africa, the mere fact of being allowed back into world competition could well be significant in influencing the way people vote on March 17.

Eurobanana poses threat to Gatt talks

By David Gardner in Brussels

THE EUROBANANA is threatening to emerge as the agricultural commodity which puts the definitive skids under the already very shaky Uruguay Round world trade talks.

On Wednesday, the European Commission will attempt to decide whether to make bananas grown in the Community's outlying territories and former colonies subject to growing competition from much cheaper bananas from Central and South America.

The General Agreement on Tariffs and Trade, which is supervising the five year-old Uruguay Round, requires all farm products to have import tariffs, which would then be reduced during the next six years if a deal on trade liberalisation is reached by the Easter deadline Gatt has set.

The EC has not set a tariff for the so-called "dollar bananas". The Community limits the entry of these predominantly Central American and Colombian bananas, and in addition charges a 20 per cent quota on them except in Germany. That is to protect high cost producers in the West Indies, and overseas territories like Guadeloupe and Martinique belonging to France, or Spain's Canary Islands.

The Commission - and the Council of Ministers (of the 12) - is divided between those who want a derogation, or temporary exemption, from the Gatt rules, and those who want to set a very high tariff on dollar bananas, to allow protected banana producers time to adjust. The tariff advocates are calling for a duty of Ecu353 per tonne - the difference between the highest import price from EC banana zones and the lowest import price from the dollar zone in 1986-88 - on top of the standard 20 per cent duty.

So far, however, only about one third of the 17-strong Commission appears ready to agree. France, Italy, Portugal, Spain and Greece seem certain to oppose the proposal.

Of the 3.3m tonnes of bananas the EC consumed in 1990, 2m tonnes came from the dollar zone, with the rest split evenly between EC output and imports from former colonies. Two of every three bananas eaten in the UK come from the Windward Islands.

The EC faces a genuine conflict of obligations. Under a banana protocol to the Lome convention through which the Community assists mainly African and Caribbean countries, it has treaty obligations to preserve the advantages enjoyed by their banana exports. It is also obliged by next year to introduce a single market in the fruit under the "1992 programme".

Pasminco sets deadline for European assets sale

By Kenneth Gooding, Mining Correspondent

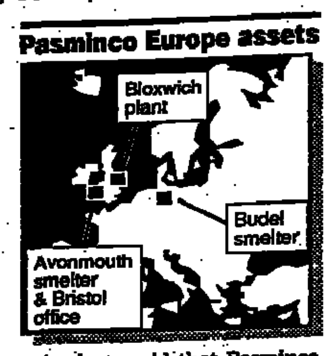
PASMINCO, the Australian lead-zinc group, expected to sell its European assets – put up for sale last week – in six months, said Mr Peter Barnett, managing director, yesterday. The assets include Pasminco's smelter at Avonmouth – the sole domestic source of zinc in the UK – and 50 per cent of the Budelco smelter in the Netherlands.

Several companies had already indicated an interest, he said after talking to analysts in London. Mr Barnett later left for Helsinki to talk with Outokumpu, the state-owned Finnish group.

He will then fly on to Japan because Mitsui and Sumitomo have expressed an interest. Metallgesellschaft, the German group, also wanted details.

Mr Barnett said the European assets would not necessarily be sold as a package. However, Pasminco's three companies at Bloxwich in the UK West Midlands, which make a number of zinc alloy products, would be sold with the Avonmouth smelter because their operations, which employ about 850 in total, were tightly linked.

Pasminco Europe assets



Analysts said that Pasminco should easily find a buyer for the Avonmouth smelter, which recently completed a £10m programme to expand its annual capacity to 105,000 tonnes of zinc and 50,000 tonnes of lead bullion. However, there were doubts about the 200,000-tonnes-a-year zinc smelter at Budel in the Netherlands.

Budelco, jointly owned by Billiton, part of the Royal Dutch/Shell group, will run out of storage capacity for jarosite, an iron-bearing waste product from electrolytic smelting, in 1995. The Dutch authorities want proposals for the future of the smelter this year.

The partners have said they are willing to contribute F310m (about £100m) towards necessary environmental changes.

Mr Barnett said the partners had discarded as uneconomic a scheme to reprocess the jarosite into an inert slag for building material. They were now looking at a project to treat the jarosite with other waste materials, such as water sludges, from the locality at a new waste treatment plant. There were still technical and economic issues to be resolved.

One option was to close the Budel smelter, which employs 600. But "closure would be a great pity because it is one of the most efficient zinc smelters in the world," Mr Barnett insists. Potential buyers might "look on this as an opportunity to invest in a world-class smelter and a new waste treatment plant."

Avonmouth's performance had improved in two years and both smelters were well located for the European market.

The sale would enable Pasminco to reduce its debt and to focus its attention on its Australian operations.

Asarco completes mine expansion

By Barbara Durr in Chicago

ASARCO, one of the world's leading producers of non-ferrous metals, has completed a $224m (£128m) expansion of its Ray mine in Arizona ahead of schedule. The expansion raises Ray's annual copper output by 58 per cent, to 182,000 short tons (2000 lb).

Asarco has also achieved its strategic goal of moving from being a custom copper smelter to become a fully integrated copper producer. The company will be self-sufficient in copper concentrates this year and even have a small excess, according to chairman Mr Richard Osborne.

Asarco mines will produce 285,000 tons of copper in concentrates in 1992 and its smelters are scheduled to use about 262,000 tons. However, the excess will probably be needed at the company's Hayden smelter, which has been running at record rates since last August.

In 1985 Asarco provided only 25 per cent of its concentrate requirements from its own resources. A 30,000-tonnes-a-day mill at Ray will be brought into full production in a few months.

Bank points to farm upheaval

By David Blackwell

THE RADICAL changes sweeping UK farming have been highlighted by a report which estimates that more than 9,000 farms have gone out of production in the last five years.

Most of the 1.4m hectares released has been swallowed up by other farms, according to the report by National Westminster Bank. The average UK farm is now 152 ha and has increased by 41 ha since 1987.

The bank compiled its figures from questionnaires returned by 26,000 farmers who work more than 20 per cent of the UK's farmland.

It believes that there will continue to be considerable concentration in the industry as the largest farms expand and the smallest ones shrink.

Farmers under the age of 45 showed the greatest tendency to expand, and also the greatest move towards diversification, which the agriculture ministry has urged on the industry in the face of sharply falling farm incomes.

More than half of all farms had diversified, with more than a third favouring contracting for other farmers. Second most popular diversification was the provision of holiday accommodation, followed by horse livery.

The agriculture ministry is also urging farmers to co-operate in marketing. The bank survey found that while 16 per cent of arable and root crop enterprises are involved in co-operative marketing, only 12 per cent of livestock farmers are similarly involved.

The larger the farmer, the more likely he is to be involved in co-operative marketing, said Mr Brian Montgomery, senior executive of the bank's agricultural office.

The report suggests that there will be a "missing generation" in the industry as nearly half the farmers questioned did not name a successor.

"Overall, a picture emerges of an industry in flux. Bedevilled by uncertainty but, with the right level of encouragement, poised to make the necessary structural and attitudinal changes," the report concludes.

WORLD COMMODITIES PRICES

MARKET REPORT

Gold market jitters yesterday followed the Indian government's weekend Budget statement which announced its intention to tap that country's huge private gold holdings, dealers said.

Middle East selling sent gold down to $349.75 a troy ounce in London yesterday morning. It recovered later to $350.85, down $2.35 an ounce from Friday's close.

Mr Andy Smith, analyst with Union Bank of Switzerland, said that the proposals, ie. to lift a ban on gold imports and allow Indians living or travelling abroad to import 5 kg of gold, were likely to hit the Bombay premium for smuggled gold.

The situation was reminiscent of 1990 when gold prices plunged $23 an ounce on Middle Eastern selling within seven days of that year's Indian budget. That removed controls on the internal market and swiftly sent local prices down 10 per cent.

About 200 tonnes of gold are smuggled into India each year to avoid import restrictions, mainly through Dubai. Mr Smith said that, while in the longer term India's budget proposals were an incentive to buy gold, in the short term many Middle East suppliers faced reduced margins on their Indian sales and might be tempted to sell.

Compiled from Reuters

London Markets

SPOT MARKETS		
Crude oil (per barrel FOB)		+ or -
Dubai	$15.30-5.35w	-0.05
Brent Blend (dated)	$17.30-7.35w	-.125
Brent Blend (Apr)	$17.40-7.45	-.075
W.T.I. (1 pm est)	$18.50-8.55w	-0.10
Oil products (NWE prompt delivery per tonne CIF)		+ or -
Premium Gasoline	$198-200	
Gas Oil	$159-160	-1
Heavy Fuel Oil	$68-70	
Naphtha	$178-179	
Petroleum Argus Estimates		
Other		+ or -
Gold (per troy oz)♣	$350.85	-2.35
Silver (per troy oz)♣	410c	-3.00
Platinum (per troy oz)	$358.0	-1.75
Palladium (per troy oz)	$83.50	-0.40
Copper (US Producer)	107 18c	-0.02
Lead (US Producer)	37.0 c	-3 37
Tin (Kuala Lumpur market)	14.17r	
Tin (New York)	260.0c	
Zinc (US Prime Western)	82c	
Cattle (live weight)†	108.30p	+0.58
Sheep (live weight)†♠	101.18p	+0.28
Pigs (live weight)†	95.43p	+1.09
London daily sugar (raw)	$204.2v	+0.7
London daily sugar (white)	$280 0v	-1
Tate and Lyle export price	£223.50	+1
Barley (English feed)	£120.75	+0.75
Maize (US No. 3 yellow)	£148.0	
Wheat (US Dark Northern)	Unq.	
Rubber (Apr)♥	52.25p	+0.50
Rubber (May)♥	52.50p	+0.60
Rubber (KL RSS No 1 Mar)	210.5m	+0.5
Coconut oil (Philippines)§	$655.0t	
Palm Oil (Malaysian)§	$385.0q	-10
Copra (Philippines)§	$430.0y	
Soyabeans (US)	£155.2q	+2.2
Cotton "A" index	56.20c	
Wooltops (64s Super)	466p	-14

£ a tonne unless otherwise stated. p-pence/kg. c-cents/lb. r-ringgit/kg. q-Mar t-Jun/Jly u-Jan/Mar v-Mar/Apr y-Feb/Mar z-Feb w-Apr. †Meat Commission average fatstock prices. * change from a week ago. ♥London physical market. §CIF Rotterdam. ♣ Bullion market close. m-Malaysian cents/kg. ♠Sheep prices are now live weight prices

SUGAR – London FOX			($ per tonne)	
Raw	**Close**	**Previous**	**High/Low**	
May	178.20	179.00	179.60	178.60
Aug	185.00	185.80	185.20	184.00
White	**Close**	**Previous**	**High/Low**	
May	259.9	260.1	260.5	259.0
Aug	263.9	264.1	264.4	263.0
Oct	257.4	257.6	257.0	256.4

Turnover: Raw 54 (94) lots of 50 tonnes. White 731 (462)
Paris- White (FFr per tonne): May 1484.80 Aug 1504.82

CRUDE OIL – IPE			$/barrel	
	Close	Previous	High/Low	
Apr	17.22	17.55	17.50	17.21
May	17.30	17.59	17.52	17.30
Jun	17.34	17.61	17.54	17.33
Jul	17.32	17.60	17.48	17.32
Aug	17.30	17.65	17.30	17.30
Sep	17.55	17.70	17.55	17.50
Oct	17.60	17.75	17 60	
IPE Index	17.56	17.47		

Turnover 12220 (14200)

GAS OIL – IPE			$/tonne	
	Close	Previous	High/Low	
Mar	158.75	159.50	159.75	158.00
Apr	158.25	159.25	159.50	157.75
May	158.50	159 00	159.00	157.75
Jun	160.00	160.25	160.25	159 00
Jul	162.50	163 00	162.50	162.00
Aug	164.50	165.00	164.50	164.25
Sep	166.25	167.00	166.25	
Oct	168.75	169.50	168.75	168.50
Nov	170.50	170.00	170.50	170.00

Turnover 8510 (8294) lots of 100 tonnes

TEA

There was good general demand reports the Tea Broker's Association. The final offerings of assam teas from season 1991 were mostly taken up at slightly lower levels although plainest sorts lacked support. Bright liquoring East Africans again showed a dearer tendency while mediums remained about steady. Plainer descriptions were generally easier. Ceylons sold readily with brighter kinds advancing in price. Offshore good demand at firm to dearer rates. The highest price realised this week was 170p for two lines of rwanda pf.1. Quotations: quality 155p, nom good medium 110p medium 82p low medium 78p.

COCOA – London FOX			£/tonne	
	Close	Previous	High/Low	
Mar	660	662	666	656
May	693	693	697	688
Jul	720	722	724	717
Sep	745	745	747	743
Dec	779	779	782	775
Mar	810	811	812	809

Turnover: 3611 (3525) lots of 10 tonnes
ICCO indicator prices (SDRs per tonne). Daily price for Feb.28 856.65 (866.30) 10 day average for Feb.29 860.50 (857.94)

COFFEE – London FOX			$/tonne	
	Close	Previous	High/Low	
Mar	802	794	818	799
May	823	818	839	821
Jul	846	842	861	845
Sep	870	865	885	870
Nov	892	890	914	892

Turnover:2492 (7031) lots of 5 tonnes
ICO indicator prices (US cents per pound) for Feb. 28: Comp. daily 55.16 (54.38) 15 day average 55.37 (55.44)
Sterling close: March £463

POTATOES – London FOX			£/tonne	
	Close	Previous	High/Low	
Apr	123.5	122.2	123.5	122.0
May	148.5	148.2	147.8	146.0
Apr	130.0	126.0	129.5	126.0

Turnover 347 (423) lots of 20 tonnes.

SOYAMEAL – London FOX			£/tonne	
	Close	Previous	High/Low	
Apr	128.00	127.00	128.00	127.50

Turnover 78 (225) lots of 20 tonnes.

FREIGHT – London FOX			$10/index point	
	Close	Previous	High/Low	
Mar	1255	1252	1266	1243
Apr	1309	1296	1310	1290
May	1305	1129	1310	1293
Jul	1139	1252	1143	1131
Jan	1285	1288	1295	
BFI	1223			

Turnover 225 (181)

GRAINS – London FOX			£/tonne	
Wheat	**Close**	**Previous**	**High/Low**	
Mar	125.20	125.30	126.00	124.90
May	128.70	128.80	128.80	
Barley	**Close**	**Previous**	**High/Low**	
Mar	115.75	118.90	116 00	

Turnover: Wheat 20 (157), Barley 3 (10).
Turnover lots of 100 Tonnes.

PIGS – London FOX	(Cash Settlement) p/kg		
	Close	Previous	High/Low
Apr	118.8	119.0	118.0
Jun	115.5	115.0	115.0

Turnover 16 (91) lots of 3,250 kg.

LONDON METAL EXCHANGE		(Prices supplied by Amalgamated Metal Trading)				
	Close	Previous	High/Low	AM Official	Kerb close	Open Interest
Aluminium, 99.7% purity ($ per tonne)					Total daily turnover 28,157 lots	
Cash	1273-74	1296-9		1280-81		
3 months	1299-300	1323-4	1311-1296	1305.5-6	1295-96	151,692 lots
Copper, Grade A (£ per tonne)					Total daily turnover 36,364 lots	
Cash	1297-98	1295-6	1293.5-1288	1292.5-93		
3 months	1308.5-9.0	1305-6	1309.5-1300	1302.5-3.0	1301-1.5	123,369 lots
Lead (£ per tonne)					Total daily turnover 4,058 lots	
Cash	293.5-4.5	291-1.5	292.25	292.25-2.50		
3 months	305-5.50	302-2.25	307-303	304.0-4.5	308-7	14,461 lots
Nickel ($ per tonne)					Total daily turnover 4,813 lots	
Cash	7575-85	7660-70	7600	7605-10		
3 months	7655-60	7735-8	7790-7660	7685-90	7670-80	23,756 lots
Tin ($ per tonne)					Total daily turnover 1,198 lots	
Cash	5567-90	5590-600		5585-90		
3 months	5630-33	5640-5	5655-5610	5635-36	5610-20	5,733 lots
Zinc, Special High Grade ($ per tonne)					Total daily turnover 11,372 lots	
Cash	1185-87	1185-6	1185	1182.5-3.0		
3 months	1196-97	1200-1	1197-1187	1195-96	1168-69	46,979 lots

LME Closing £/$ rate:
SPOT: 1.7555 3 months: 1.7297 6 months: 1.7034 9 months: 1.6842

LONDON BULLION MARKET (Prices supplied by N M Rothschild)		
Gold (fine oz)	**$ price**	**£ equivalent**
Close	350.60-351.10	
Opening	352.60-352.90	
Morning fix	350.55	199.892
Afternoon fix	350.45	199.937
Day's high	352.30-352.60	
Day's low	349.70-350.00	

Loco Ldn Mean Gold Lending Rates (Vs US$)			
1 month	3.46	6 months	3.49
2 months	3.46	12 months	3.52
3 months	3.46		

Silver fix	p/fine oz	US cts equiv
Spot	232.95	409.50
3 months	238.90	413.65
6 months	244.80	418.20
12 months	256.00	427.75

GOLD COINS (Prices supplied by Engelhard Metals)		
	$ price	£ equivalent
Krugerrand	350.50-351.50	200.00-200.50
Maple leaf	361.50-362.50	206.00-206.50
New Sovereign	86.00-87.00	49.00-49.50

TRADED OPTIONS				
Aluminium (99.7%)	**Calls**		**Puts**	
Strike price $ tonne	Dec	Jan	Dec	Jan
1200	110	130	15	23
1300	46	70	52	60
1400	16	32	119	121
Copper (Grade A)	**Calls**		**Puts**	
2150	116	119	9	24
2250	50	59	40	62
2350	14	24	103	126
Coffee	**May**	**Jul**	**May**	**Jul**
750	75		3	
800	30		15	
850	15		42	
Cocoa	**May**	**Jul**	**May**	**Jul**
675	34		16	
700	21	46	28	26
725	13	30	45	38
Brent Crude	**Apr**	**May**	**Apr**	**May**
1750	21		30	45
1800	8	27	82	
1850		14		

New York

GOLD 100 troy oz.; $/troy oz.				
	Close	Previous	High/Low	
Mar	351.4	353.0	350.0	350.0
Apr	352.5	354.1	352.6	351.1
May	353.6	356.2	0	0
Jun	354.7	356.3	354.9	353.3
Aug	357.0	358.5	357.4	355.7
Oct	359.2	360.7	358.8	358.0
Dec	361.6	363.0	361.0	360.0
Feb	364.1	365.4	0	0
Apr	366.6	357.8	0	0

PLATINUM 50 troy oz; $/troy oz.				
	Close	Previous	High/Low	
Mar	360.4	0	358.0	358.0
Apr	362.4	359.7	362.5	358.0
Jul	362.1	359.4	362.0	358.0
Oct	364.9	362.7	361.5	361.5
Jan	364.9	362.7	363.0	361.5

SILVER 5,000 troy oz; cents/troy oz.				
	Close	Previous	High/Low	
Mar	411.4	410.0	413.0	407.0
Apr	412.9	411.5	0	0
May	414.8	413.5	416.0	410.5
Jul	418.1	416.7	419.0	414.0
Sep	421.5	420.1	0	0
Dec	427.1	425 5	427.5	424.0
Jan	428.6	427.2	0	0
Mar	433.1	431.4	433.5	430.0
May	437.6	435.8	0	0
Jul	442.1	440.2	0	0

HIGH GRADE COPPER 25,000 lbs; cents/lbs				
	Close	Previous	High/Low	
Mar	102.40	102.95	102.95	102.10
Apr	102.65	103.50	102.90	102.40
May	102.40	103.20	103.05	102.05
Jun	101.90	102.50	102.20	102.20
Jul	101.40	101.95	102.00	101.15
Aug	101.15	101.65	101.20	101.00
Sep	100.90	101.30	101.30	100.70
Oct	100.70	101.10	101.00	101.00
Nov	100.55	100.95	100.80	100.80
Dec	100.40	100.80	100.80	100.20

SUGAR WORLD "11" 112,000 lbs; cents/lbs				
	Close	Previous	High/Low	
May	8.04	8.02	8.14	7.99
Jul	8.17	8.16	8.25	8.15
Oct	8.32	8.34	8.36	8.26
Mar	8.50	8.55	8.58	8.46
May	8.55	8.59	8.62	8.52
Jul	8.65	8.71	0	0

CRUDE OIL (Light) 42,000 US galls $/barrel				
	Close	Previous	High/Low	
Apr	18.34	18.68	18.61	18.32
May	18.52	18.86	18.80	18.50
Jun	18.66	18.98	18.92	18.69
Jul	18.74	19.06	19.00	18.71
Aug	18.80	19.11	19.07	18.78
Sep	18.83	19.13	19.06	18.83
Oct	18.86	19.15	19.06	18.86
Nov	18.89	19.18	19.06	18.88
Dec	18.93	19.21	19.18	18.90
Jan	18.90	19.17	19.11	19.06

HEATING OIL 42,000 US galls, cents/US galls				
	Close	Previous	High/Low	
Apr	5020	5185	5145	5015
May	5012	5131	5115	5000
Jun	5012	5130	5110	5000
Jul	5078	5156	5155	5070
Aug	5158	5226	5225	5175
Sep	5288	5356	5350	5335
Oct	5398	5468	5465	5440
Nov	5498	5568	5560	5520
Dec	5598	5666	5660	5615
Jan	5628	5696	5690	5640

COCOA 10 tonnes;$/tonnes				
	Close	Previous	High/Low	
Mar	1082	1093	1087	1081
May	1110	1116	1118	1104
Jul	1144	1153	1152	1140
Sep	1178	1186	1186	1176
Dec	1220	1229	1225	1218
Mar	1261	1266	1267	1267
May	1288	1295	0	0
Jul	1313	1320	0	0
Sep	1346	1353	0	0
Dec	1381	1388	0	0

COFFEE "C" 37,500lbs; cents/lbs				
	Close	Previous	High/Low	
Mar	70.15	70.50	69.80	LOW
May	71.50	69.70	70.50	69.60
Jul	74.00	70.90	71.90	70.70
Sep	76.55	73.40	74.35	73.40
Dec	79.75	76.60	76.95	75.60
Mar	82.70	79.40	79.75	79.30
May	85.50	82.30	82.75	82.00
Jul	87.00	84.50	0	0

COTTON 50,000; cents/lbs				
	Close	Previous	High/Low	
Mar	55.63	54.75	55.55	54.75
May	57.28	56.70	57.35	56.45
Jul	59.01	58.44	59.10	58.25
Oct	61.20	60.25	61.29	60.30
Dec	61.77	60.90	61.89	60.95
Mar	63.25	62.33	63.00	63.00
May	63.75	62.88	0	0
Jul	64.25	63.55	0	0

ORANGE JUICE 15,000 lbs; cents/lbs				
	Close	Previous	High/Low	
Mar	143.75	143.20	145.50	143.75
May	141.30	139.65	142.15	140.55
Jul	138.00	136.90	139.40	138.00
Sep	132.25	132.15	134.50	132.25
Nov	124.25	124.75	126.50	126.25
Jan	124.00	124.75	125.25	124.50
Mar	123.50	124.25	0	0
May	123.50	124.25	0	0
Jul	123.50	124.25	0	0

INDICES

REUTERS (Base: September 18 1931 = 100)			
Mar.2	Feb.28	mnth ago	yr ago
1813.4	1809.2	1577.8	1708.4

DOW JONES (Base: Dec. 31 1974 = 100)				
	Feb.28	Feb.27	mnth ago	yr ago
Spot	118.45	119.01	118.80	130.30
Futures	122.71	122.34	122.76	130.49

Chicago

SOYABEANS 5,000 bu min; cents/60lb bushel				
	Close	Previous	High/Low	
Mar	583/4	580/2	584/6	578/6
May	592/0	589/2	593/2	587/0
Jul	602/0	598/2	603/2	596/6
Aug	607/0	602/2	607/0	601/4
Sep	609/6	606/0	610/0	604/4
Nov	619/4	613/0	620/4	613/2
Jan	629/4	622/4	630/0	629/4
Mar	639/0	632/0	639/0	633/4
May	643/0	639/4	643/0	643/0

SOYABEAN OIL 60,000 lbs; cents/lb				
	Close	Previous	High/Low	
Mar	19.83	19.71	19.90	19.62
May	20.15	20.01	20.20	19.89
Jul	20.47	20.26	20.50	20.18
Aug	20.63	20.42	20.63	20.39
Sep	20.75	20.56	20.75	20.50
Oct	20.89	20.70	20.90	20.80
Dec	21.17	20.99	21.20	20.98
Jan	21.25	21.05	21.30	21.26
Mar	21.40	21.20	21.55	21.40
May	21.50	21.30	0	0

SOYABEAN MEAL 100 tons; $/ton				
	Close	Previous	High/Low	
Mar	176.2	174.1	176.3	174.0
May	178.6	176.9	178.8	176.6
Jul	181.2	179.3	181.3	179.3
Aug	182.3	180.1	182.3	180.6
Sep	183.5	181.5	183.5	181.5
Oct	198.3	195.9	198.5	196.5
Dec	199.7	197.2	200.5	198.0
Jan	200.6	198.5	200.5	199.0
Mar	200.5	200.0	0	0

MAIZE 5,000 bu min; cents/56lb bushel				
	Close	Previous	High/Low	
Mar	267/0	264/6	267/2	264/2
May	276/0	273/4	276/2	273/0
Jul	282/0	279/2	282/2	278/6
Sep	278/4	276/0	278/6	275/6
Dec	274/6	273/0	274/6	272/4
Mar	281/2	279/4	281/2	278/6
May	284/2	283/2	284/6	283/0

WHEAT 5,000 bu min; cents/60lb-bushel				
	Close	Previous	High/Low	
Mar	407/4	401/4	412/0	401/4
May	401/6	400/0	407/0	397/0
Jul	386/2	385/6	389/6	384/0
Sep	391/2	390/4	394/0	389/4
Dec	400/4	400/4	403/0	399/4
Mar	403/4	403/4	407/0	402/4

LIVE CATTLE 40,000 lbs; cents/lbs				
	Close	Previous	High/Low	
Apr	77.200	77.400	77.500	77.200
Jun	73.925	73.775	74.000	73.650
Aug	68.925	68.825	69.125	68.750
Oct	67.950	67.950	68.100	67.850
Dec	68.700	68.625	68.750	68.600
Feb	68.100	68.100	68.250	68.100

LIVE HOGS 40,000 lb; cents/lbs				
	Close	Previous	High/Low	
Apr	39.675	39.725	40.025	39.500
Jun	44.525	44.600	44.950	44.400
Jul	45.200	44.950	45.400	44.900
Aug	43.675	43.700	43.825	43.350
Oct	40.600	40.425	40.600	40.250
Dec	43.500	43.500	43.700	43.350
Feb	44.200	44.300	44.350	44.225
Apr	42.150	42.150	0	0

PORK BELLIES 40,000 lbs; cents/lb				
	Close	Previous	High/Low	
Mar	32.900	32.575	33.700	32.300
May	34.550	34.275	35.600	34.100
Jul	34.750	35.200	35.500	34.000
Aug	34.750	34.350	35.300	34.200
Feb	47.425	47.400	47.450	46.800
Mar	46.000	46.000	0	0

LONDON STOCK EXCHANGE

Early losses reduced in late trading

By Terry Byland, UK Stock Market Editor

A UK stock market depressed initially by weakness in the pharmaceutical sector was rallying steadily at the close as the dollar improved in the wake of the latest data on the US economy. Trading volume was thin for most of the session, although business in the blue chip internationals increased after Wall Street opened.

Account Dealing Dates			
*First Dealings:	Feb 24	Mar 9	Mar 23
Option Declarations:	Mar 5	Mar 19	Apr 2
Last Dealings:	Mar 6	Mar 20	Apr 3
Account Day:	Mar 16	Mar 30	Apr 13

*New-time dealings may take place from 8.30 am two business days earlier.

Investment sentiment remained cautious ahead of the UK budget, due a week today. UK public opinion polls continued to overshadow the stock market, with the latest polls suggesting a weakening in public ratings of Mr John Major, the UK prime minister.

London share prices fell sharply at first as traders took on board the implications of two unexpected fund raising operations in the equity market. Plans by the Wellcome Foundation to reduce its stake in the quoted drug company from 73.6 per cent to under 50 per cent had been widely foreshadowed in the UK press at the weekend. But confirmation by the trustees indicated an international share placing on a very substantial scale – a minimum of £2.5bn at current share prices.

Also disclosed yesterday morning were plans by Bowater for a £333.5m rights issue in London. UK traders had been assuming that there would be no significant cash calls ahead of the UK budget which is due a week today. The stock market dipped by 20 FT-SE points in early trading but was then rescued by a firm opening in the stock index futures, which later, however, lost support.

The first hour of market trading, traditionally the most active of the day, brought only miniscule business, however; the Seaq total did not reach 1m shares until mid-morning.

In these slack conditions, a temporary widening in the premium on the FT-SE March futures contract and a trading programme involving stocks across the full market range reduced the loss in the Footsie. However, the market remained on the downside throughout the day and it was not until the US dollar responded favourably to the latest survey of opinion among US Purchasing Managers that London established a convincing rally.

At its final reading of 2,554.3, the FT-SE Index was only 7.8 off. Boosted by demand for Reuters and some other international stocks after Wall Street opened with an early gain of six points on the Dow, volume in London improved in the second half of the session. The Seaq network finally recorded trading of 438.6m shares, against 449.7m on Friday, when retail business was worth £962.8m.

However, traders said that there was little direction in the market as a whole. Wellcome's news brought a heavy fall in the shares which represented a fall of three points on the Footsie. Some other pharmaceutical issues, also significant constituents of leading market indices, were unsettled by the prospect that cash might be raised in order to meet the Wellcome placings. However, the sector rallied well at the close.

Overall views of the stock market remained little changed. A relatively generous budget speech is expected, together with a cut in UK base rates. However, the market is held back by uncertainty over the outcome of the general election. This was again reflected yesterday in losses in the water industry stocks, considered to be at risk should a Labour government be elected.

FINANCIAL TIMES STOCK INDICES

	Mar 2	Feb 28	Feb 27	Feb 26	Feb 25	Year Ago	1991/92 High	1991/92 Low	Since Compilation High	Since Compilation Low
Government Secs	88.28	88.35	88.55	88.49	88.31	84.61	88.56 (27/2/92)	82.17 (2/1/91)	127.40 (9/1/35)	49.18 (3/1/75)
Fixed Interest	101.33	101.38	101.49	101.45	101.33	93.15	101.56 (19/2/92)	90.59 (2/1/91)	105.40 (28/11/47)	50.53 (3/1/75)
Ordinary Share ●	1981.2	1983.0	1986.7	2002.9	1989.8	1918.1	2108.3 (2/9/91)	1606.3 (16/1/91)	2108.3 (2/9/91)	49.4 (26/6/40)
Gold Mines	128.9	130.2	127.2	128.7	129.8	143.0	222.8 (11/7/91)	127.0 (22/2/91)	734.7 (15/2/83)	43.5 (26/10/71)
FT-SE 100 Share	2554.3	2562.1	2562.0	2565.0	2546.8	2382.9	2679.6 (2/9/91)	2054.8 (16/1/91)	2679.6 (2/9/91)	986.9 (23/7/84)
FT-SE Eurotrack 200	1192.13	1195.15	1193.41	1194.70	1185.41	1094.59	1198.60 (3/3/91)	938.62 (16/1/91)	1198.60 (3/9/91)	938.62 (16/1/91)
●Ord Div Yield	4.50	4.50	4.50	4.61	4.63	5.03				
●Earning Yld %(full)	6.52	6.53	6.53	6.68	6.67	9.73				
●P/E Ratio(Net)(*)	19.28	19.26	19.24	18.77	18.75	12.63				
SEAQ Bargns 5.00pm	32,608	32,419	33,359	26,638	28,406	37,518				
Equity Turnover(£m)†	-	982.8	1183.2	972.0	970.8	877.23				
Equity Bargains†	-	36,338	37,900	32,753	32,780	38,248				
Shares Traded (mil)†	-	432.3	515.6	457.9	445.4	429.3				

Basis 100 Govt Secs 15/10/26. Fixed Int. 1928. Ordinary 1/7/35. Gold mines 12/9/55. Basis 1000 FT-SE 100 31/12/83 & FT-SE Eurotrack 200 26/10/90. ‡ Nil 18.33

Ordinary Share Index, Hourly changes — Day's High 1981.2 — Day's Low 1969.8

Open	9 am	10 am	11 am	12 pm	1 pm	2 pm	3 pm	4 pm
1979.4	1980.9	1970.0	1973.8	1975.0	1972.9	1973.4	1976.0	1976.4

FT-SE 100, Hourly changes — Day's High 2554.3 — Day's Low 2542.1

Open	9 am	10 am	11 am	12 pm	1 pm	2 pm	3 pm	4 pm
2552.2	2548.8	2542.6	2546.9	2547.7	2546.0	2548.5	2549.6	2548.9

FT-SE Eurotrack 200, Hourly changes — Day's High 1194.34 — Day's Low 1188.08

Open	10 am	11 am	12 pm	1 pm	2 pm	3 pm
1183.73	1188.85	1189.96	1189.97	1190.49	1190.28	1191.49

GILT EDGED ACTIVITY

Indices*	Feb 28	Feb 27
Gilt Edged Bargains	144.8	140.2
5 – Day average	149.6	142.1

*SE Activity 1974.
†Excluding intra-market business and Overseas turnover.

London report and latest Share Index: Tel. 0891 123001 Calls charged at 36p/minute cheap rate, 48p/minute at all other times

Reuters in ADR flurry

A LATE surge in shares of Reuters, the global data information group, followed news that US investment houses are currently running heavy short positions totalling 2.74m American Depository Receipts (ADRs). Such a situation in the ADR market implies an underlying short position of around 8.2m Reuters shares.

Barrons, the US investment magazine, published a list of the 10 heaviest short market positions among US brokers which included Reuters. After being marginally easier for much of the London session, the stock began to push ahead as Wall Street opened yesterday.

US brokers were among those chasing the stock higher in late trading in the UK, attempting to close what are seen as dangerously exposed share positions. The stock ended a busy session 26 higher at 1197p, its best level since mid-July 1990; turnover reached just short of 1m shares.

Specialists said the shares were also being stimulated by high hopes for Reuters' Dealing 2000 foreign exchange trading system which is expected to go "live" later this month. The group's Globex system is about to undergo trials.

Wellcome setback

Concern over the the proposed dilution of Wellcome shares saw the pharmaceutical group tumble in turnover of 4.1m. Wellcome Foundation, the charitable trust, yesterday confirmed weekend reports that it intends to seek permission to sell at least 24 per cent of the drugs group in an international placing – leaving the trust with a stake of under 50 per cent. It said its long-term aim was to maintain a share of 25 per cent of the equity.

"Wellcome has always benefited from the premium attached to the rarity of the shares available for trading," said Mr Didier Cowling at Nomura. "The proposed reduction of that premium has taken the top off the shares, but also hit the rest of the sector on concerns that there could be switching into Wellcome."

Worries over greater liquidity in Wellcome dragged the pharmaceutical sector down in early trading. However, strong US buying pulled selected stocks back in busy afternoon trading, with Glaxo Holdings rising 4 to 785p, and SmithKline Beecham 'A' shares adding 5 to 923p.

Bowater rights

The market was taken completely by surprise by a hefty £333m rights issue from Bowater to help fund a brace of acquisitions for more than £400m. The cash-call and purchases accompanied near-static profits and a near 9 per cent hike in the final dividend.

Dealers, taken aback by the magnitude of the rights issue, chopped the Bowater share price to 744p as the news emerged. But it later rallied strongly, eventually closing only 3 easier at 765p, with specialists enthusiastic about the acquisitions, DRG Packaging and Cope Allman Packaging.

Bowater's manoeuvring gave a substantial boost to ADT, the security alarms group which held a minority stake in Quoteplan, which in turn owns Cope Allman Packaging. ADT will receive £117m. ADT shares, which fell to a five-year low of 281p as recently as December last year, jumped 37 to 500p on the news.

Fisons firmer

Shares in Fisons rose ahead of today's results, buoyed by renewed bid speculation and market sentiment that the stock is undervalued. Without a chief executive and with the shares looking fairly cheap, weekend press speculation was carried over into the market yesterday that either ICI or Hanson – both old favoured candidates – could be possible predators. The shares added 7 to 393p.

A mixture of US and Japanese buying, via Goldman Sachs and Nomura, sustained the English power generators, but water stocks suffered from selling generated by the latest opinion polls and profit-taking after their recent good performances. Of the footsie stocks Anglian and Severn Trent weakened 8 to 363p and 338p, North West 7 to 372p and Thames 6 to 376p.

Nomura was said to have been responsible for downward pressure on GEC, seeing an early improvement to 217p whittled away to settle slightly easier at 215¼p. Downgrading the shares from a "hold" to a "sell", Nomura's Miles Saltiel said GEC shares had run ahead of themselves and outperformed the market by 23 per cent since last July, reducing the yield premium from 46 per cent to 21 per cent. He said the stock had benefited from a stream of new contracts which he did not expect to continue.

Hopes of a big boost to sales of its telephone alarm systems for the elderly and disabled saw Tunstall shares run up 10 to 220p.

Midland Bank outpaced the rest of the banks sector. The shares climbed 11 to 278p responding to talk of broker upgradings, recovery hopes and lingering takeover speculation. Turnover in the shares was a hefty 6.5m. Lloyds also made good progress, adding 7 at 420p.

The battle between brokers in the UK and the US to get the upper hand in BP continued yesterday with 15m shares changing hands. Most UK investment houses have been aggressive sellers of BP since it revealed disappointing preliminary figures last month, as opposed to US investment banks which have been heavy buyers of the shares. The stock was 4 down when Wall Street opened but subsequently rallied to end the session unchanged on balance at 266p.

British Aerospace continued to shine following last week's two-day analysts' visit to the company. The shares gained another 9 to 325p with 4.2m shares traded.

Kwit-Fit gained 6 to 192p after Albert E. Sharp, the Midlands stockbroker, said that profits would rise to £32m and the dividend by 22 per cent; Ford's move into its business sector was "unlikely to impact significantly" on Kwik-Fit said Sharp.

ASW Holdings retreated 7 to 131 after reporting a 94 per cent profit setback to £2.3m. Mr Robert Sassoon at County NatWest believes the company will be forced to cut the interim dividend. Because of the "slow improvement in the pricing environment". Sentiment in ASW left British Steel half a penny off at 71¼.

News of accountancy practice worries at MTM cast a shadow over Siebe, the shares falling 15 to 579p. The company is said to follow similar policies.

Press reports that P&O had won a £1bn contract to build the second phase of the Disney theme park outside Paris lifted the shares 2 to 368p.

Chemicals group MTM plunged 60½ to 226p after it announced that its 1991 results would be delayed by three weeks over the auditors valuation of certain fixed assets. MTM warned that its profits – expected to be in the region of £23m – would be "substantially below current City expectations".

Entertainment group European Leisure slipped 2 to 5p as it warned of continuing difficulties in its trading performance.

Speculation rose that Thorn EMI had emerged as favourite to buy Virgin's music division.

The shares slipped 2 to 807p.

Preliminary talks have taken place with potential purchasers of all or a major part of Dalepak, according to the company. This lifted the shares 71 to 433p.

Food retailer Ashley Group, jumped 8 to 50p as the resignation of Mr Anthony Butler as chief executive encouraged speculation about a consortium bid for the company. Suggestions of a possible price war, involving the big supermarkets, knocked 5 off J. Sainsbury and Tesco to 387p and 265p respectively. A research document from Goldman Sachs warned that the introduction of US style warehouse clubs into Britain, with heavy discounting on bulk purchases, poses a potential competitive threat to food retailers.

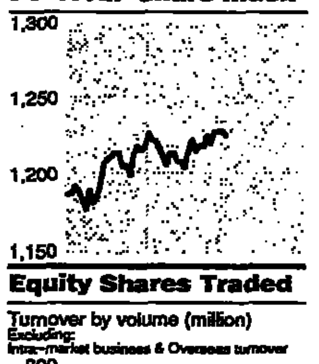
Do-it-yourself store owners took a hammering on fears of a price war following a series of press adverts offering a sharp reduction in prices. Boots' fall of 7 to 472p was a reflection of the depressed pharmaceutical sector rather than its position as a major retailer.

The first day of trading in Rosebys saw shares in the household textiles retailer finish at 124p, compared with the placing price of 115p.

MARKET REPORTERS:
Colin Millham, Joel Kibazo, Christopher Price, Steve Thompson

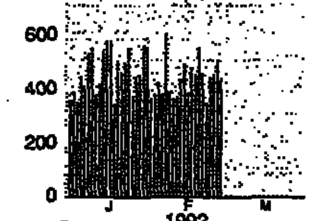
■ Other market statistics, including the FT-Actuaries Share Indices and London Traded Options, Page 30.

FT-A All-Share Index



Equity Shares Traded

Turnover by volume (million)
Excluding:
Intra-market business & Overseas turnover



Source: Datastream

NEW HIGHS AND LOWS FOR 1991/92

NEW HIGHS (81).
BRITISH FUNDS (3) Tr. 3pc 1992, Tr. 8pc 1992, Tr. 2pc IL 1996, BANKS (3) HSBC, Lloyds, Midland, BREWERS & DISTILLERS (1) Wolv. & Dudley, BUILDING MATERIALS (2) Spring Ram, Titon, BUSINESS SERVICES (2) Inchcape, RCO, CHEMICALS (3) Allied Colloids, Engelhard, Sobering, ELECTRICALS (2) Johnson Elect., Volex, ELECTRONICS (5) Hoskyns, MTI Instrs., Micro Focus, Misys, Tunstall, FOOD MANUFACTURING (1) Dalepak, FOOD RETAILING (1) Iceland Frozen, HEALTH & HOUSEHOLD (1) Creighton Naturally, HOTELS & LEISURE (3) Mandarin Oriental, Owners Abroad 9.75p Prf., Tanjong, INVESTMENT TRUSTS (15) Gen. Cons. Stppd. Prf., Genesis Chile Fund Wrrnts., Henderson Strata, India Fund, Latin Amer. Extra Yield, Latin Amer. Wrrnts., Mexico Fund., Murray Enterprise, Do. Zero 1994, New Frontiers Dev., Pacific Assets Wrrnts., River & Merc. Stppd. Prf., St. Davids Zero Prf., MEDIA (4) Daily Mail A, Gold Greenlees Trott, Harrington Kilbride, Reuters, MISCELLANEOUS (1) Alusmac, MOTORS (2) BSG, Cowie (T), PACKAGING, PAPER & PRINTING (2) Boxmore, Brit. Polythene, PROPERTY (5) Bradford, HK Land, Land Sec. 10pc 2025, Do. Deb. 2027, Do. Deb. 2030, STORES (2) GUS A, Hampden Homecare, TEXTILES (2) Haggas (J), Sherwood Group, TRANSPORT (3) BAA, Cathay Pacific, Ocean Wilsons.

NEW LOWS (35).
BRITISH FUNDS (1) Ex. 13½pc 1992, BREWERS & DISTILLERS (1) Hoskins, CHEMICALS (1) Sutcliffe Speakman, CONGLOMERATES (1) Gieves, CONTRACTING & CONSTRUCTION (1) Creston, ELECTRONICS (1) Radius, FOOD MANUFACTURING (1) Linton Park, HOTELS & LEISURE (2) Allied Leis., Stakis, INSURANCE COMPOSITE (1) Sun Alliance, INSURANCE LIFE (1) Utd. Friendly B, INVESTMENT TRUSTS (4) Candover, Gartmore Scot. Cap., Intl. Inv. Tst. Jersey, M & G Dual Inc., MEDIA (2) Holmes & Marchant, TVS Entertainment, MERCHANT BANKS (1) Brown Shipley, METAL & METAL FORMING (1) ASW, MISCELLANEOUS (4) EFG, LGW, Novalal, RPS, OIL & GAS (2) Alliance Res., Brit. Borneo, PROPERTY (5) Bredero, Britannia, Chesterfield, Debenham Tewson & C., Jermyn, STORES (1) In Shops, TEXTILES (1) Richards, TRANSPORT (1) Turnbull Scott, MINES (2) Beatrix, Cons. Murchison.

TRADING VOLUME IN MAJOR STOCKS

	Volume 000's	Closing Price	Day's change		Volume 000's	Closing Price	Day's change		Volume 000's	Closing Price	Day's change		Volume 000's	Closing Price	Day's change
ACT	251	500	+37	Cookson	1,400	115		Lucas	260	117		Shell Transport	4,800	445	-3
ASDA Group	7,750	29	-1½	Courtaulds	376	540	+2	MB Caradon	726	273	-2	Siebe	2,200	579	-15
Abbey National	2,200	323	+1	Dalgety	655	335	+4	MEPC	318	338		Slough Ests	534	206	+5
Albert Fisher	[illegible]	60	-2	De La Rue	541	598	-1	Manweb	852	335	+1	Smith (W H) A	450	466	-12
Allied-Lyons	1,200	642		Dixons	1,000	237	-2	Marks & Spencer	4,500	323	-2	Smith & Nephew	2,400	150	-2
Amstrad	222	30		ECC Group	1,400	509	+15	Midland Bank	6,500	278	+11	SmithK Beecham	355	923	+5
Anglian Water	[illegible]	363	-8	Eastern Elect	569	256		Midlands Elect	545	282		SmithK Beecham Uts	107	4243	+30
Argos	562	385	-3	East Midland Elect	420	270	-1	NFC	276	240	+1	Smiths Inds	427	276	+2
Argyll Group	1,300	334	-4	Enterprise Oil	595	390	-1	NatWest Bank	5,000	315	+4	Southern Elect	757	278	-2
Arjo Wiggins	221	240		Eurotunnel Units	589	454	-5	National Power	3,200	226	+1	South Wales Elect	230	326	-1
Ass Brit Foods	72	490		[illegible]	1,200	69	-2	Next	1,100	67½	-1½	South West Water	777	367	-1
BAA	950	685		Ferranti	441	5½		North West Water	1,500	372	-7	South West Elect	156	289	
[illegible]															

Based on the trading volume for a selection of Alpha securities dealt through the SEAQ system on Tuesday until 4.30pm. Trades of one million or more are rounded down.

EQUITY FUTURES AND OPTIONS TRADING

NEWS of the proposed placing of a sizeable chunk of Wellcome shares in the market cast a shadow over trading in stock index futures, writes Joel Kibazo.

March went into retreat shortly after its opening at 2,567 and was pushed lower by a big seller around 10am, causing the contract to fall to 2,556. Buyers, mainly looking for protection against further falls in the pharmaceutical sector, were however seen at the lower levels helping steady trading in the index.

Dealers concentrated on spread trading in the early to mid-afternoon before a big buyer of a 150 lots triggered a squeeze late in the session sending March forward.

A firm firm opening on Wall Street was also said to have helped the advance.

March closed at 2,569 around 11 points above its estimated fair value premium to cash of around 6 points. Turnover was a poor 4,686.

In traded options, turnover improved to reach 29,978 contracts, with the FT-SE 100 index option accounting for 10,778 lots.

Midland Bank was the busiest stock option. It traded 1,536 lots, followed by Hanson with 1,339 lots dealt. British Gas, Wellcome and Lonrho were also busy.

LONDON SHARE SERVICE

BRITISH FUNDS

	Notes	Price £	+ or -	1991/92 high	1991/92 low	Yield Int.	Yield Red.
"Shorts" (Lives up to Five Years)							
8pc 1992 ‡‡		98 [illegible]	+1/32	98 [illegible]	95 11/16	8.82	9.85
10½pc Cv 1992‡‡		100	—	100 13/16	98½	10.50	10.24
3pc 1992		98 11/16	+1/16	98 11/16	91 [illegible]	3.04	8.18
Exch 12¼pc 1992		101 1/16	-1/16	102 5/32	100⅝	12.12	9.94
13½pc 1992		101 [illegible]xd	-1/16	104⅛	101 [illegible]	13.25	9.91
Treas 8¼pc 1993		98 [illegible]	—	98 [illegible]	94	8.34	9.40
10pc 1993‡‡		100 7/16	-1/16	100¼	97 5/8	9.98	9.54
12½pc 1993‡‡		103 [illegible]	-1/16	104¾	102⅛	12.96	9.54
Funding 6pc 1993‡‡		96 5/16xd	—	96 [illegible]	89⅝	6.23	8.58
Treas 13¾pc 1993‡‡		108½	-1/16	108 [illegible]	105⅝	12.81	9.53
8½pc 1994		96½	—	98½	92 [illegible]	8.63	9.39
14½pc 1994‡‡		108 [illegible]	-1/16	111⅜	108 [illegible]	13.33	9.57
Exch 13½pc 1994		107 [illegible]	-1/16	109	105 [illegible]	12.67	9.60
Treas 10pc Ln 1994‡‡		101 [illegible]	-1/16	101 [illegible]	95 [illegible]	9.89	9.45
Exch 12½pc 1994		106 [illegible]	-1/16	107¼	103⅜	11.78	9.60
Treas 9pc 1994‡‡		99¼	-1/16	99¼	93¼	9.09	9.29
12pc 1995		106¼	-1/8	106 [illegible]	102 [illegible]	11.31	9.52
Exch 3pc Gas 90–95		89	—	89	82¼	3.37	6.89
10¼pc 1995		102 [illegible]	-1/16	102 [illegible]	96 [illegible]	10.03	9.50
Treas 12¾pc 1995‡‡		109⅞	-1/16	110 [illegible]	105⅞	11.66	9.51
14pc 1996		113 [illegible]	-1/16	114 [illegible]	109 [illegible]	12.33	9.72
9pc 1992–96‡‡		99 [illegible]xd	-1/16	100	92 [illegible]	9.01	9.00
15¼pc 1996‡‡		118⅝	-1/16	119 [illegible]	115 [illegible]	12.86	9.70
Exch 13¼pc 1996‡‡		112¼	-1/16	112 [illegible]	106	11.80	9.63
Conversion 10pc 1996		102⅛	-1/16	102 [illegible]	95 [illegible]	9.79	9.42
Five to Fifteen Years							
Treas 13¼pc 1997‡‡		114	-1/16	114 [illegible]	108 [illegible]	11.82	9.58
Exch 10½pc 1997		104 [illegible]	-1/16	104½	97¼	10.07	9.39
Treas 8¾pc 1997‡‡		97 [illegible]	-1/16	97 [illegible]	89 [illegible]	8.96	9.30
Exch 15pc 1997		122½	-1/16	123 [illegible]	117	12.24	9.72
9¾pc 1998		101⅝	-1/32	101 [illegible]	93 [illegible]	9.59	9.38
Treas 6¾pc 1995–98‡‡		89 [illegible]	—	90⅛	80⅝	7.51	8.91
15½pc '98‡‡		128⅞xd	-1/16	128⅞	121¾	12.07	9.58
Exch 12pc 1998		112 [illegible]	-1/16	112 [illegible]	104⅞	10.69	9.50

BRITISH FUNDS - Cont.

	Notes	Price £	+ or -	1991/92 high	1991/92 low	Yield Int.	Yield Red.
Treas 9½pc 1999‡‡		101 [illegible]	-1/16	101⅝	92 13/16	9.37	9.23
Exch 12¼pc 1999		113 13/16xd	-1/16	114 7/16	105 13/16	10.75	9.50
Treas 10½pc 1999		105⅝	-3/32	106 [illegible]	97 5/16	9.94	9.40
Conversion 10¼pc 1999		104⅝	—	104⅞	95 13/16	9.80	9.39
9pc 2000‡‡		98¾	-1/16	99 1/16	89⅝	9.11	9.22
Treas 13pc 2000		119 13/16	-3/16	119 15/16	110½	10.89	9.57
10pc 2001		104 3/16	-1/16	104⅞	94 3/16	9.61	9.32
14pc '98–01		119¾	-1/16	120 3/16	113 [illegible]	11.69	8.69
9¾pc 2002		103 1/16	-1/16	103 3/16	92 13/16	9.46	9.29
9¾p 2002 C		[illegible]	-1/32	[illegible]	95	9.47	9.30
10pc 2003		104 13/16xd	-1/32	105 13/16	94 1/16	9.53	9.28
Treas 11½pc 2001–04		111¼xd	-1/16	112 3/16	102	10.29	9.53
Funding 3½pc '99–04		62 [illegible]	—	63 3/16	53 3/16	5.57	8.39
Conversion 9½pc 2004		101 3/16	-3/16	102 1/16	90 15/16	9.35	9.28
9½pc 2004 A		101 3/16	-3/16	102 1/16	96 [illegible]	9.35	9.28
9½pc 2005		101¾	-1/16	102¼	90 [illegible]	9.34	9.26
Treas 12½pc 2003–05		122¼	-1/8	122 [illegible]	111	10.22	9.33
8pc 2002–06‡‡		90xd	-1/32	90 [illegible]	79 [illegible]	8.88	9.26
Over Fifteen Years							
Treas 11¾pc 2003–07		116 [illegible]	-3/32	116⅞	105 [illegible]	10.10	9.32
8½pc 2007 ‡‡		94 [illegible]	-3/32	95	84 [illegible]	8.99	9.16
8½pc 2007 A		94 [illegible]	-3/32	94 [illegible]	91 [illegible]	8.99	9.16
13½pc '04–08		129⅞xd	-1/16	130 [illegible]	118 [illegible]	10.39	9.32
9pc 2008 ‡‡		98⅞	-1/8	99⅞	88 [illegible]	9.10	9.12
8pc 2009		90¼xd	-1/8	90 [illegible]	80	8.86	9.12
Conv 9pc Ln 2011 ‡‡		98 [illegible]	-1/8	99 [illegible]	88 [illegible]	9.19	9.11
9pc 2011 B		98 [illegible]	-1/8	99 [illegible]	93 [illegible]	9.11	9.11
Treas. 9pc 2012		49¾	-1/8	50¼	49 [illegible]	9.09	9.10
Treas 5½pc 2008–12‡‡		66⅞xd	-1/8	67¼	58 [illegible]	8.22	9.09
7¾pc 2012–15‡‡		86⅝	-1/8	87¼	76 [illegible]	8.95	9.15
Exch 12pc '13–17		126½	-3/32	127 [illegible]	113 [illegible]	9.49	9.18
Undated							
Consols 4pc		42 [illegible]	-1/16	42 [illegible]	37 [illegible]	9.48	—
War Loan 3½pc‡‡		37 [illegible]	-1/16	38 [illegible]	33 [illegible]	9.24	—
Conv 3½pc '61 Aft		61 [illegible]xd	-1/16	61 [illegible]	57¼	5.72	—
Treas 3pc '66 Aft		31¼xd	-1/16	31½	28¼	9.60	—
Consols 2½pc		26 [illegible]xd	-1/16	26 [illegible]	23¼	9.42	—
Treas. 2½pc		26¼xd	-1/16	26½	23 [illegible]	9.52	—

BRITISH FUNDS - Cont.

	Notes	Price £	+ or -	1991/92 high	1991/92 low	Yield Int.	Yield Red.
Index – Linked	(b)					(1)	(2)
Treas. 2pc '94	(102.9)	124 [illegible]	—	124 [illegible]	115 [illegible]	2.14	3.31
2pc '96	(67.9)	181 [illegible]xd	+1/8	181 [illegible]	168 [illegible]	3.04	3.63
2½pc '01	(78.3)	146 [illegible]xd	+1/16	146 [illegible]	137 [illegible]	3.85	4.14
2½pc '03	(78.8)	142	—	142 [illegible]	133	3.86	4.22
2pc '06	(69.5)	143¼	-1/8	144	135	4.09	4.31
2½pc '09	(78.8)	130 [illegible]	-1/8	131½	124 [illegible]	4.14	4.33
2½pc '11	(74.6)	134½xd	-1/8	135 [illegible]	128 [illegible]	4.15	4.33
2½pc '13	(89.2)	110 [illegible]	-1/8	111 [illegible]	105⅞	4.16	4.32
2½pc '16	(81.6)	117¼	-1/8	118 [illegible]	113 [illegible]	4.15	4.30
2½pc '20	(83.0)	112 [illegible]	-1/8	113 [illegible]	109½	4.15	4.29
2½pc '24‡‡	(97.7)	93 [illegible]	-1/16	95¼	90 [illegible]	4.14	4.27

Prospective real redemption rate on projected inflation of (1) 10% and (2) 5%. (b) Figures in parentheses show RPI base for indexing, (ie 8 months prior to issue) and have been adjusted to reflect rebasing of RPI to 100 in January 1987. Conversion factor 3.945. RPI for June 1991 134.1 and for January 1992 135.6

OTHER FIXED INTEREST

	Notes	Price £	+ or -	1991/92 high	1991/92 low	Yield Int.	Yield Red.
African Dev 11⅛ 2010		111 [illegible]	-1/8	111½	95⅞	10.78	9.79
Asian Dev 10¼pc 2009		105 [illegible]	+1/16	105 [illegible]	91⅞	10.30	9.56
B'ham 11½pc 2012		106½	—	106½	100½	11.33	10.71
Ireland Cap 8½pc '10		99¼	—	99¼	88½	8.80	—
9pc Cap 1996		99⅝	—	99⅝	93	9.17	—
13pc '97–02		115¼	—	115¼	109½	11.35	—
Hydro Quebec 15pc 2011		137 [illegible]	-1/4	137½	120 [illegible]	10.8	10.46
Int-Am Dev 12½pc 2003		118 [illegible]	-3/8	118 [illegible]	105 [illegible]	11.09	9.78
9¾pc 2015		100 [illegible]	-1/16	101 [illegible]	86 [illegible]	[illegible]	9.67
Leeds 13½pc 2006		119	-1/4	119 [illegible]	110½	11.68	10.87
Liverpool 3½pc Irred		31	+½	31	28	11.67	—
LCC 3pc '20 Aft		28	—	28	26	11.11	—
Manchester 11½pc 2007		107¼	—	107¼	97½	11.27	10.54
Met. Wtr. 3pc 'B'		55	—	55¼	52	5.77	9.78
N'wde Anglia 3⅞pc 2021		105¾	—	106¼	102	—	5.45
4⅛pc IL 2024		106	—	107¾	104	—	5.17
Utd Mex States 16½pc 2008		126xd	—	126	101	13.33	12.81

APPOINTMENTS

From merchant to high street bank

The old adage about not shooting the messenger seems to have fallen on deaf ears at National Westminster Bank; it has just replaced its director of corporate affairs less than a week after it reported its worst results since 1975.

Simon Lewis, the 32-year-old head of public relations at merchant bankers S G Warburg, is replacing Bill Beavor, a former Vietnam vet with a PhD in military intelligence, who has departed after only 18 months.

Lewis started his career at Shandwick Consultants, the world's largest pr firm, and was seconded to the forerunner of Warburg in the run-up to "Big Bang". After a leave of absence to head public relations for David Owen's social democrat party ahead of the 1987 general election, he returned to set up Warburg's public relations department. At NatWest, he will be in charge of relations with the media, government and community. He will have a staff of 50 and will report to Phil Wise, general manager of group strategy and communications – the third person in that job in the past 18 months.

Lewis, an Oxford graduate and Fulbright scholar, is well regarded as a City pr man. However, managing the public relations of a high street bank which has had more than its fair share of bad publicity will be a far greater challenge than handling the image of Britain's most successful merchant bank, whose record speaks for itself. "All the banks have had a difficult time but the pr challenges now are greater than at any time in the cycle," Lewis says.

Meanwhile, NatWest refuses to comment on Beavor's abrupt departure save to say that there were "apparent differences in working methods and attitudes". Before joining NatWest, Beavor had been the late Robert Maxwell's chief communicator for a brief spell and had also done stints at J Walter Thompson and Dr Barnardo's, the children's charity. He also worked part-time at the church of St John the Divine in Brixton.

■ Reginald Key has been appointed md of CHUBB FIRE; he joined its parent company, Racal, in 1983 and has held directorships within the data communications group.

■ Ian Piff, formerly business planning director, flexible packaging division, Europe, has been appointed director of information systems of LAWSON MARDON GROUP.

■ Tony Waterlow, who joined KODAK at Harrow in 1954 as an accountant trainee, is to become md in April on the retirement of Erroll Yates as md and chairman. He will remain as non-executive chairman.

■ Peter Youngman becomes md of CATERPILLAR Financial Services (UK); he comes from Dallas, where he had managed Cat Financial's south central region Dallas.

■ Geoff Inskip has been confirmed as director of finance of GREATER MANCHESTER PASSENGER TRANSPORT EXECUTIVE.

■ Alan Carroll has been promoted to operations director of SWAN NATIONAL LEASING.

■ Allan Westbury has been appointed md of S&P Coil Products, part of HALMA.

■ George Poste, chairman R&D SmithKline Beecham Pharmaceuticals, has been appointed to the SMITHKLINE BEECHAM board.

■ Roderick Wilkie and David Hutchinson are to be appointed directors of RENDEL PALMER & TRITTON (SCOTLAND), a subsidiary of High-Point.

Eyeing Europe

From burgers to eyewear? Richard Snead, until now managing director of Burger King in the UK, was also pretty sceptical when the US Shoe Corporation approached him to head up one-hour optical retailer LensCrafters' British operation.

"I wasn't about to leave a very promising career at Burger King to mind eight stores [the extent of the current network in Britain]," says Snead, an American who has spent 13½ years at the burger retailer now owned by Grand Met, and who, since 1989, has been in England masterminding among other things the integration of Wimpy into the Burger King chain.

But his family likes living in the UK, and Snead, 40, was won over by the notion of being "a key player" in advancing the LensCrafters concept internationally. With a little sensitivity to the differences of the UK marketplace, he thinks the optician's success in the US can indeed be replicated across the Atlantic, and also has his eye on continental Europe once the UK is mastered. And, for the cv, the coming of the single European market means that "this is the most exciting place for a businessman to be."

His predecessor, Angus McPhie, who opened the first shops in the UK in 1990, returns to parent company US Shoe in America.

ABN AMRO Holding N.V.
established in Amsterdam

Pursuant to Section 9 of the Netherlands Major Holdings in Listed Companies Disclosure Act, the undersigned hereby gives notice that it has received the following notification under the Act:

Name	Percentage capital interest	of which indirect	of which potential	Percentage voting rights	of which indirect	of which potential
Internationale Nederlanden Groep N.V., Prinses Irenestraat 61, 1077 WV Amsterdam	16,57	16,57	0	7,49	7,49	0

The issued and outstanding share capital per January 31, 1992 amounts to NLG 3.136.635.060,- nominal value, consisting of 1 priority share with a nominal value of NLG 5,-, 362.503.010 preference shares, each with a nominal value of NLG 5,- and 264.824.001 ordinary shares, each with a nominal value of NLG 5,-.

Internationale Nederlanden Groep N.V. has announced that the reported capital interest consists of 7,49% ordinary shares and 9,08% depository receipts for registered preference shares of ABN AMRO Holding N.V.

Amsterdam, February 27, 1992

ABN·AMRO Holding N.V.

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LONDON SHARE SERVICE

AMERICANS

Notes	Price £	+ or -	1991/92 high	low	Mkt Cap£m	Yld Gr's
Abbott Labs.	36 3/16xd	+7/16	36 11/16	20 7/8	15,442	1.9
♥Allegheny & W	321p	+6	385p	218p	188.8	5.3
Amdahl	1141pxd	-10	1159p	667p	1,786	0.5
Amer Cyanamid	34 7/8	—	42 1/8	25 3/8	3,262	2.4
Amer Express	11 13/16xd	+3/32	17 7/8	9 13/16	5,615	4.8
Amer T & T	21 3/16xd	+3/16	24 1/2	15 1/4	27,674	3.5
Ameritech	34 1/8	-1/2	38 7/8	32 1/2	14,941	5.6
BankAmerica	24 11/16xd	-5/32	26 3/16	12 7/16	6,394	3.0
Bankers NY	35 1/2xd	-5/8	38 1/16	20 1/16	2,917	7.7
Bell Atlantic	24 7/8xd	+1/8	30 1/2	24 1/4	9,762	5.7
BellSouth	26 1/8	—	31 1/4	25	12,763	5.9
♥Bethlehem Steel	8 1/2xd	+1/16	11 1/4	6 7/16	847.9	—
Bowater	1511p	+10	1639p	1042p	542.8	4.5
CPC	48 11/16xd	+1 3/8	54 15/16	37 11/16	3,689	2.5
California Engy	731p	+1	830p	420p	133.1	—
Campbell Soup h	21 3/8	+3/32	25	14 1/8	5,373	1.6
Chase Manhattan	13 7/8xd	+1/16	14 1/8	5 7/16	1,886	4.9
Chrysler	9 11/16xd	+1/2	10 1/8	5 1/8	2,881	3.5
Citicorp	9 5/8xd	-1/4	10 3/8	4 5/8	3,306	—
Colgate-Palm.	26 7/8xd	-1/16	27 5/8	21 3/16	3,966	2.2
Com'l Bank	927p	+4	945p	438p	936.8	3.6
Dana	20 1/4xd	+1/4	21 5/8	13 5/8	852.4	4.4
Data General	685p	+3	1262p	203p	189.0	—
Dial	27 7/16xd	+1/2	28 7/16	12 7/8	1,089	2.9
Dun & Brad	31 1/2	—	32	20 3/4	5,621	3.9
Eaton	41 1/8	+1/8	41 7/8	24 1/4	1,404	3.0
Echlin	9 3/16xd	+1/8	9 3/16	5 1/2	613.1	4.3
FPL	19 1/4xd	+1/8	20 1/8	14 7/16	3,263	7.0
Fluor	24 5/8xd	-1/8	30 9/16	17 7/16	1,997	0.9
Ford Motor	29 13/16xd	+13/16	23 1/4	13	9,911	2.7
Gen Elect	44 7/8xd	+1/4	46 13/16	29 3/16	38,988	2.6
♥General Host	485p	+1	566p	270p	—	4.2
Gillette	27 13/16xd	+1/8	45 3/4	20 7/8	6,188	1.2
Hasbro	22	+1	24	7 15/16	1,261	0.5
Honeywell	41 3/16xd	+13/16	42 3/16	21 3/4	2,898	2.2
Houston Inds	23 5/8	—	24 3/8	17 7/8	3,045	7.1
IBM	49 3/16xd	-1/8	72 13/16	46	28,358	5.5
Ingersoll-Rand	35 1/8xd	-1/32	37 1/2	18 7/16	1,821	2.1
Lockheed	25xd	+1/4	28 1/8	15 5/8	1,582	4.5
Lowe's	2211p	-97	2478p	1245p	885.1	1.4
Merrill Lynch	31 7/8xd	-7/8	39 13/16	10 1/16	3,272	1.8
Morgan (JP)	34 3/16xd	-5/8	38 1/4	21 13/16	6,480	3.6
Morris (Philip)	43 13/16xd	+1/16	44 5/8	25 1/16	40,562	2.7
NYNEX	41 3/8	—	46 1/4	39	8,392	6.2
♥Pac Agric	28p	—	88p	15p	—	—
Pall	17 1/2	—	17 13/16	10 3/16	1,502	1.2
Pennzoil	28 1/4xd	+1/8	48 1/8	26 1/8	1,061	6.4
Quaker Oats	36 1/8	-1/8	40 9/16	24 7/8	2,762	2.7
Rockwell	15 1/2xd	-1/32	17 3/8	12 1/8	3,537	3.4
Rep NY	23 5/8	-1/16	27 13/16	18 1/2	1,229	2.4
Sears, Roebuck	24 1/4xd	+1/4	25 5/8	12 13/16	8,616	4.5
Sthwestern Bell	34 1/2xd	+1/2	35 7/8	25 5/8	10,344	4.6
Sun Co	15 13/16xd	+3/32	20 1/4	14 1/8	1,698	6.5
Tenneco	22 1/8xd	-3/16	27 1/8	14 7/8	2,789	4.1
Texaco	33 5/8xd	+3/16	40 1/2	29 3/16	8,891	5.4
Time Warner	58 1/4xd	-1 1/8	64 1/2	37 7/8	5,378	1.0
♥Unilab	587p	—	587p	250p	545.3	—
Utd Tech	28 1/4xd	—	31 1/2	22 3/8	3,498	3.5
♥Utiltech	101p	—	101p	42p	—	—
US West	19 5/8	+1/8	23	18 1/4	8,017	6.0
Varity	735p	-11	1418p	578p	183.4	—
Waste Manage	24 3/4xd	+1/8	26	16 5/8	11,708	1.0
Whirlpool	2518p	-33	2700p	1053p	1,744	2.5
♥Woolworth	16 3/8	+1/4	20 3/16	12 3/4	2,135	3.7

CANADIANS

Notes	Price £	+ or -	1991/92 high	low	Mkt Cap£m	Yld Gr's
♥Abbot Energy	2p	—	11p	1 3/4p	—	—
Amer Barrick	1348p	-9	1642p	353p	2,114	0.3
Bk Montreal	21 1/8	+1/8	23 1/4	13	2,538	5.4
Bk Nova Scot.	1054pxd	+2	1176p	536p	2,119	4.4
♥BC Gas	629p	-7	870p	639p	—	3.9
BCE	23	—	24 1/2	17 1/4	7,118	6.7
♥Brascan	934p	+2	1050p	647p	778.3	8.0
♥Breakwater	26p	-3	35p	6p	16.5	20.8
Can Imp Bk	1620p	+3	1810p	1180p	2,967	4.4
[illegible]						

BANKS

[illegible]

BREWERS & DISTILLERS

[illegible]

BUILDING MATERIALS

[illegible]

BUILDING MATERIALS - Cont.

[illegible]

BUSINESS SERVICES

[illegible]

CHEMICALS

[illegible]

CONGLOMERATES

[illegible]

CONTRACTING & CONSTRUCTION

[illegible]

CONTRACTING & CONSTRUCTION - Cont.

[illegible]

ELECTRICALS

[illegible]

ELECTRICITY

[illegible]

ELECTRONICS

[illegible]

ENGINEERING AEROSPACE

[illegible]

ENGINEERING GENERAL

[illegible]

ENGINEERING - GENERAL - Cont.

[illegible]

FOOD MANUFACTURING

[illegible]

FOOD RETAILING

[illegible]

HEALTH & HOUSEHOLD

[illegible]

HEALTH & HOUSEHOLD - Cont.

[illegible]

HOTELS & LEISURE

[illegible]

INSURANCE BROKERS

[illegible]

INSURANCE COMPOSITE

[illegible]

INSURANCE LIFE

[illegible]

INVESTMENT TRUSTS

[illegible]

INVESTMENT TRUSTS - Cont.

[illegible]

INVESTMENT TRUSTS - Cont.

	Notes	Price	+or-	1991/92 high	low	Yld Gr's	NAV	Dis or Pm(-)
■Scot National Inc.		94½xd	—	116	94½	12.6	–	–
■ Cap		32	—	68	30	–	24.3	-32.0
Stepped Pf	†	131¼xd	+½	133½	113	5.9	–	–
Zero Div Pf		172½	—	172½	141	–	–	–
Warrants		7	—	19	7	–	–	–
Scot Value	a	55½	—	85	49¼	8.6	56.7	3.0
Sec Alliance	†	1198xd	+4	1255	882	3.5	1870.3	12.7
Second Market	g	224	—	228	199	8.8	267.3	16.1
■Sec Tst Scot	†	78	—	78	57½	5.9	72.8	4.5
Select Assets		98xd	—	102	71	1.2	136.7	27.6
Eq Ind Ser I		114	-1	127	89	5.0	–	–
Eq Ind Ser II		114	-1	121	89	5.0	–	–
Shires	†	224	—	288	191	10.8	225.8	0.8
11pc Cv Ln '03/04		£105½xd	+1	£120½	£97½	10.4	–	–
Stem Select		88	—	99	78	1.5	102.3	13.9
Warrants		19	—	31	18	–	–	–
■Smaller Cos		73xd	+1	93	60	4.6	84.8	15.1
Warrants		18	—	25	8	–	–	–
■Sphere Inc		17	—	30	17	28.4	22.8	30.3
Zero Div Pf		58¾	+½	69¾	58¾	–	–	–
Warrants		0¾	—	9½	0¾	–	–	–
Stratton		158	—	160	120	1.6	188.9	16.3
Sumit	‡	68	—	119	50	‡	109.9	64.6
■TR City of Lon		107	—	121¼	90	5.7	112.1	4.5
■TR Euro Growth	a	87	—	104	78	1.6	99.0	12.1
Ptg Sub	s	52	—	58	40	2.6	–	–
■TR Far East Inc		89xd	—	94	68	0.4	101.1	12.9
Warrants		14	—	23	12	–	–	–
TR High Inc		98	—	115	85	8.2	96.5	-1.6
Sub	g	31	—	35	24	8.5	–	–
■TR Pacific	s	83	—	92	49	0.4	94.9	12.5
■TR Prop		24	—	37	23½	8.1	34.3	30.0
■TR Smaller		135	-1	155	98	3.7	149.2	9.5
■TR Technology	M	35	—	52	20	7.0	138.3	74.9
Stepped Pf		94¼	+½	94½	70½	7.8	–	–

MERCHANT BANKS - Cont.

	Notes	Price	+or-	1991/92 high	low	Mkt Cap£m	Yld Gr's
■Hambros	†	278	—	302	204	479.7	6.1
7½pc Cv Pf		113xd	—	125	90	105.5	8.8
Joseph (L)		388	—	413	323	17.2	6.4
■Kleinwort Benson		282	-1	377	233	340.5	8.5
■Rea Bros		29	—	46	24	11.4	2.3
Schroders	†	1092	—	1143	640	548.5	1.7
N/V	†	845	—	853	423	122.8	2.0
■Singer & Fried		41	+2	58	33	91.7	8.1
■Warburg (SG)	†	801	-2	880	314	1,118	3.8
6pc Cv Pf		187xd	—	202	109	78.6	4.3
Wintrust		222xd	—	353	223	18.9	5.6

METALS & METAL FORMING

	Notes	Price	+or-	1991/92 high	low	Mkt Cap£m	Yld Gr's
■ASW		131	-7	278	731	87.4	9.5
♣Apollo Metals		140	—	148	113	18.0	3.3
Ash & Lacy		148	—	188	88	39.0	5.8
■Barrett (H)		34	—	113	33	14.8	7.8
Billam (J)		95	+15	180	80	1.88	5.9
■Bradway		15½	—	18	11	11.8	4.4
■Brit Steel		71½	-½	140	61	1,430	16.3
Bromsgrove	M	105	—	141¾	98½	59.4	5.1
■CI		24	—	35	23	28.6	11.4
Castings	†	128	—	133	78	27.4	3.9
Chamber & Hill		90	—	189	85	0.94	8.1
Clayhithe	M	40	—	82¾	38	7.30	8.3
9½pc Cv 2000-1		£67½	—	£98	£62½	5.76	14.1
Cohen (A)		378	-5	535	350	6.87	8.3
Cook (Wm)	†	273	—	334	203	58.4	8.8
■Cooper (F)		57	—	88	46	20.2	9.4
Cronite		31	—	48	12	5.04	–
Downiebrae		36	—	38	27	6.90	3.7

MISCELLANEOUS

MEDIA

MOTORS

OIL & GAS

OTHER FINANCIAL

OTHER INDUSTRIAL MATERIALS

PACKAGING, PAPER & PRINTING

PROPERTY

STORES

TELEPHONE NETWORKS

TEXTILES

TRANSPORT

WATER

SOUTH AFRICANS

PLANTATIONS

MINES

GUIDE TO LONDON SHARE SERVICE

This service is available to companies whose shares are regularly traded in the United Kingdom for a fee of £1200 a year for each security shown, subject to the Editor's discretion

London Share Prices

Real time share prices are available by calling FT Cityline.

FT Cityline can also provide you with a confidential personal portfolio facility to give you a real time evaluation of your own personal investments.
For a free FT Cityline Share and Unit Trust Directory or to obtain your confidential Portfolio PIN call the FT Cityline Help desk on (071) 925 2128.
Calls charged at 36p per minute cheap rate and 48p per minute at all other times.

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AUTHORISED UNIT TRUSTS

Guide to pricing of Authorised Unit Trusts

Compiled with the assistance of Lautro §§

INITIAL CHARGE: Charge made on sale of units. Used to defray marketing and administrative costs, including commission paid to intermediaries. This charge is included in the price of units.

OFFER PRICE: Also called issue price. The price at which units are bought by investors.

BID PRICE: Also called redemption price. The price at which units are sold back by investors.

CANCELLATION PRICE: The minimum redemption price. The maximum spread between the offer and bid prices is determined by a formula laid down by the government. In practice, most unit trust managers quote a much narrower spread. As a result, the bid price is often set above the cancellation price. However, the bid price might be moved to the cancellation price by the managers at any time, usually in circumstances in which there is a large excess of sellers of units over buyers.

TIME: The time shown alongside the fund manager's name is the time of the unit trust's valuation point unless another time is indicated by the symbol alongside the individual unit trust name. The symbols are as follows: (♥) - 0001 to 1100 hours; (♣) - 1101 to 1400 hours; (♦) - 1401 to 1700 hours; (♠) - 1701 to midnight. Daily dealing prices are set on the basis of the valuation point, a short period of time may elapse before prices become available.

HISTORIC PRICING: The letter H denotes that the managers will normally deal on the price set on the most recent valuation. The prices shown are the latest available before publication and may not be the current dealing levels because of an intervening portfolio revaluation or a switch to a forward pricing basis. The managers must deal at a forward price on request, and may move to forward pricing at any time.

FORWARD PRICING: The letter F denotes that the managers deal at the price to be set on the next valuation. Investors can be given no definite price in advance of the purchase or sale being carried out. The prices appearing in the newspaper are the most recent provided by the managers.

SCHEME PARTICULARS AND REPORTS: The most recent report and scheme particulars can be obtained free of charge from fund managers.

Other explanatory notes are contained in the last column of the FT Managed Funds Service.

§§ Life Assurance and Unit Trust Regulatory Organisation, Centre Point, 103 New Oxford Street, London WC1A 1QH. Tel: 071 – 379 – 0444.

FT MANAGED FUNDS SERVICE

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Standard Life Tst Mgmt Ltd (0629)H
3 George St, Edinburgh EH2 2XZ 0800 393777

	Init Charge	Canc. Price	Bid Price	Offer Price	+ or -	Yield Gr's
Managed Acc	5¼	36.74	36.74	39.04	.....	2.24
UK Equity Gth Acc	5¼	50.46	51.57	54.59	+0.1	1.83
UK Eq High Inc Inc	5¼	28.78	29.46	31.31	-0.1	6.04
UK Eq High Inc Acc	5¼	32.37	33.12	35.20	-0.1	6.04
UK Equity Gen Acc	5¼	46.39	47.15	50.10	.....	3.39
UK Equity Gen Inc	5¼	36.90	36.90	39.21	.....	3.39
UK Larger Cos Acc F	7¼	310.3	314.3	341.1	+0.2	4.65
UK Larger Cos Inc F	7¼	249.8	253.1	274.7	+0.2	4.65
Gilt & Fxd Int Inc	5¼	28.43	28.51	30.15	-0.1	7.19
O'seas Larg Cos Acc F	7¼	213.1	216.6	235.1	.....	2.04
Nth American Acc	5¼	36.78	36.93	39.24	-0.1	0.84
Far East Acc	5¼	39.60	40.69	43.24	+0.1	0.11
European Acc	5¼	35.71	37.10	39.42	+0.1	1.53

Stewart Ivory Unit Tst Mgrs Ltd (1200)H
45 Charlotte Sq, Edinburgh 031-226 3271

	Init Charge	Canc. Price	Bid Price	Offer Price	+ or -	Yield Gr's
American ψ	5	297.0	297.0	316.0	-1.9	0.71
(Accum Units) ψ	5	349.6	349.6	372.6	-2.3	0.71
British	5	785.8	803.7xd	850.3	-14.2	4.10
(Accum Units)	5	1317.8	1347.8xd	1426.0	-5.6	6.10
European	5	336.4	336.4	357.0	+1.0	1.40
(Accum Units)	5	364.7	364.7	387.0	+1.1	1.40
Japan	5	106.9	106.9	113.8	+0.6	-
(Accum Units)	5	107.8	107.8	114.7	+0.6	-
New Pacific	5	194.9	194.9	207.8	+0.9	1.65
(Accum Units)	5	200.2	200.2	213.4	+0.9	1.65
PEP Feb 20	5	150.3	151.7	160.5	.....	3.90
Mngd Equity	5	126.5	128.0	135.4	-0.3	2.78
Mngd Equity Acc	5	134.2	135.8	143.7	-0.3	2.78
Mngd Cash	0	96.61	96.61	96.61	.....	10.12
(Accum Units)	0	119.1	119.1	119.1	.....	10.12
Majority Stlg	1	100.60	100.60	101.61	+0.06	9.88
Majority Stlg Acc	1	109.55	109.55	110.65	+0.06	9.88

Storebrand Intl Inv Mngrs Ltd (1200)F
Admin: 5 Rayleigh Rd, Hutton, Brentwood, Essex
Enquiries: 0277 227300 Dealing: 0277 261010

	Init Charge	Canc. Price	Bid Price	Offer Price	+ or -	Yield Gr's
International Feb 28	0	51.36	51.36	51.75	.....	3.17

Sun Alliance Unit Tst Mngmt Ltd (1200)F
St Mark's Court, Horsham 0403 232323

	Init Charge	Canc. Price	Bid Price	Offer Price	+ or -	Yield Gr's
Equity	6	604.9	612.5	656.1	-2.1	3.04
North America	6	87.47	87.47	[illegible]	[illegible]	[illegible]

Local Authorities Mutual Invest. Tst.*
2 Fore Street, London EC2Y 5AQ 071-588 1815

	Bid Price	Offer Price	+ or -	Yield Gross
Property Jan 31	196.79	206.75	.....	7.93
Equity Jan 31	888.05	895.20	.....	3.77

* Available only to Local Authorities

M & G Securities Ltd

	Bid Price	Offer Price	+ or -	Yield Gross
Charibond Feb 28	104.52		-0.2	10.32
(Accum Units)	632.92		-1.2	10.32
NAACIF Feb 25	40.50xd		.....	4.54

Morgan Grenfell Investment Funds Ltd
Exempt Funds

	Bid Price	Offer Price	+ or -	Yield Gross
UK Equity † Feb 28	127.6	137.1	.....	1.98
UK Small Co † Feb 28	519.7	569.7	.....	3.91
Fixed Interest † Feb 28	111.6	117.6	.....	8.52
US Small Co Feb 28	183.8	196.6	.....	0.00
Managed Feb 28	108.0	116.8	.....	3.40
Intl Bond Feb 28	122.0	128.7	.....	9.96
Japan Feb 28	67.45	71.92	.....	4.09
European Feb 28	92.80	99.47	.....	1.71
Nth American Feb 28	125.0	134.4	.....	1.19

Murray Johnstone UT Mngmt
Murray Exempt Funds

	Bid Price	Offer Price	+ or -	Yield Gross
Amer Expt Feb 26	55.01	57.21xd	.....	1.99
Euro Expt Feb 26	53.70	56.38xd	.....	2.44
Fixed Int Ex Feb 26	47.83	49.02	.....	8.87
Japan Expt Feb 26	40.84	42.26	.....	0.70
Managed Ex Feb 27	45.69	47.52	.....	4.27
SE Asia Expt Feb 26	76.07	79.87	.....	2.84
Sm Cos Expt Feb 26	36.25	38.07	.....	3.28
UK Eqty Ex Feb 26	43.99	46.19xd	.....	3.67

Phillips & Drew Fund Management Ltd

	Bid Price	Offer Price	+ or -	Yield Gross
Small Co's Feb 5	685.40	729.40xd	.....	4.35
Do Accum	795.07	846.12	.....	4.35
Int Expt Feb 27	188.95	192.99	.....	1.61
UK Index Feb 5	1178.06	1192.81xd	.....	4.32
Do Accum	1303.87	1320.16	.....	4.32
Convertible Feb 24	94.61	97.64	.....	8.35
Words ex UK Index Feb 25	788.14	797.72	.....	1.95
Do Accum	788.14	797.72	.....	1.95

Allied Dunbar Assurance Plc – Contd.

INSURANCES

OTHER UK UNIT TRUSTS

Continued on next page

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	Bid Price	Offer Price	+ or –	Yield Gross
Norwich Union Life Insurance Soc.–Contd.				
Pensionmaster* & Unit-Linked Plus*				
Mixed Fund	446.4	469.9	+5.5	–
Ordinary Share Fund	669.9	705.2	+10.5	–
International Fund	175.2	184.4	+2.0	–
Property Fund	258.4	272.0	–2.8	–
Fixed Interest Fund	398.7	419.7	+2.3	–
Index-Linked Sec Fund	193.4	203.6	+0.5	–
Deposit Fund	276.6	291.2	+0.7	–
Norwich Units Feb 14	1053.70			–
*Prices as at February 28				
Jersey Investment Plan				
With Profits Fund	122.16	128.59	+0.10	–
Intl Equity Fund	95.16	100.17	+0.08	–
Intl Bond Fund	120.70	127.05	+0.46	–
Norwich Union Pensions Management Ltd				
Surrey Street, Norwich NR1 3NG 0603 683335				
Group Pocket Pensions				
Balanced Managed Fd	319.60	325.03	–0.06	–
Growth Managed Fd	106.30	108.22	+0.08	–
Sentinel Managed Fd	105.05	106.50	–0.09	–
Prices as at February 28				
Pearl Assurance (Unit Funds) Ltd				
Thorpe Wood, Peterborough PE3 6SA 0733 63212				
Prop. Dist. (Gross)	133.6	140.6	+0.1	–
Prop. Acc. (Gross)	254.6	268.0	+0.1	–
Equity (Gross)	861.5	906.8	–2.4	–
Managed (Gross)	604.1	635.9	–1.4	–
Prop. Acc. (Net)	121.5	127.9	+0.1	–
Equity (Net)	199.8	210.3	–0.6	–
Managed (Net)	186.2	196.0	–0.4	–
International (Net)	170.8	179.8		–
Gilt & Fxd Interest	134.8	141.9		–
Money Fund	136.8	144.0	+0.1	–
Mixed Fund (Cap)	117.5	123.7	+0.7	–
Mixed Fund (Acc)	120.8	127.2	+0.8	–
Pearl Assurance (Unit Linked Pens) Ltd				
Ret Man (Series 1)	661.0	695.8	–1.4	–
Ret Man (Series 2)	224.2	236.0	–0.5	–
Ret Cash	191.0	201.1	+0.2	–
Pens Mixed Fd (Cap)	131.2	138.2	+1.2	–
Pens Mixed Fd (Acc)	134.9	142.0	+1.2	–

Provident Mutual Life Assc. Assn.–Contd.

Prudential Assurance Co

Prudential Corporate Pension Funds

Scottish Amicable

Sun Alliance Group

Wesleyan Assurance Society

Providence Capital International Ltd

J. D. Ward Financial Services Ltd

Rothschild Asset Management–Contd.

OFFSHORE INSURANCES

OFFSHORE AND OVERSEAS

BERMUDA (SIB RECOGNISED)

CANADA (SIB RECOGNISED)

GUERNSEY (SIB RECOGNISED)

GUERNSEY (REGULATED)

MANAGEMENT SERVICES

IRELAND (SIB RECOGNISED)

IRELAND (REGULATED)

ISLE OF MAN (SIB RECOGNISED)

هكذا من الأصل

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ISLE OF MAN (REGULATED)

JERSEY (SIB RECOGNISED)

JERSEY (REGULATED)

LUXEMBOURG (SIB RECOGNISED)

LUXEMBOURG (REGULATED)

SWITZERLAND (SIB RECOGNISED)

OTHER OFFSHORE FUNDS

MANAGED FUNDS NOTES

CURRENCIES, MONEY AND CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar rises on strong figures

THE DOLLAR recovered strongly after subdued trading as unexpectedly robust economic data helped revive market optimism over the US economy.

The closely-followed National Association of Purchasing Management index showed a surprising increase to 52.4 for February, its highest since October 1991, and well above both market expectations and the January figure of 47.4. This coincided with a 1.3 per cent rise in construction spending for January, compared with the 0.6 per cent predicted.

"The markets had been positioning themselves for a number below 50 on the NAPM index," said Mr Peter Luxton, senior economist at Barclays. "Today's figure is seen as an important indicator and could point towards a recovery in the second quarter."

The dollar had earlier tested downside support towards DM1.63, as the market anticipated some mixed data ahead of Friday's crucial employment report. It had, however, gained some strength from the disclosure by US treasury under-secretary Mr David Mulford that the yen had been discussed at the meeting of G7 deputy finance ministers at the end of last week, but that no decision had been taken on correcting its weakness.

The dollar rose to close at DM1.6450/60 from DM1.6443/50 before the data were released and a DM1.6400/10 start. In Tokyo, it had closed at DM1.6427 after quiet trading within very narrow bands.

Gains on the yen were, however, restricted as speculation continued about heavy sell orders around the Y130.00 mark. The dollar closed up slightly at Y129.70/75, after a Y129.50/60 start. It had ended in Tokyo at Y129.58/62.

The D-mark lost ground against most main currencies after the rise in the dollar, but made small gains against the Swiss franc despite statements from the Swiss National Bank that it was still concerned about the currency's recent losses.

The peseta remained well below its EMS ceiling, although it recovered slightly to 5.88 per cent above its pivot against sterling, compared with 5.77 per cent on Friday.

Its softness against the D-mark dropped sterling's floor in the EMS below DM2.87, from above DM2.88 last week, and the market has taken the opportunity to push sterling gradually lower, although it has remained above the very bottom. Most traders, however, have discounted the idea that this could provide room for an imminent UK rate cut.

Sterling moved little, drawing no encouragement from weekend opinion polls putting the opposition Labour party slightly ahead, or the still gloomy economic outlook.

It finished slightly up at DM2.8799, having opened at DM2.8778, although it dropped as far as DM2.8734 at one stage. It closed down against the dollar at $1.7507, from an opening of $1.7580, although it briefly topped $1.76 just before the US economic data were released.

£ IN NEW YORK

Mar 2	Close	Previous Close
£ Spot	1.7530-1.7540	1.7567-1.7577
1 month	1.01-0.98pm	0.93-0.92pm
3 months	2.67-2.64pm	2.65-2.63pm
12 months	8.55-8.45pm	8.65-8.55pm

Forward premiums and discounts apply to the US dollar

STERLING INDEX

	Mar.2	Previous
8.30 am	90.6	90.9
9.00 am	90.5	90.9
10.00 am	90.6	90.8
11.00 am	90.5	90.8
Noon	90.6	90.8
1.00 pm	90.6	90.8
2.00 pm	90.7	90.8
3.00 pm	90.7	90.9
4.00 pm	90.6	90.7

CURRENCY MOVEMENTS

Mar 2	Bank of England Index	Morgan** Guaranty Changes %
Sterling	90.6	-20.7
U.S Dollar	64.3	-14.5
Canadian Dollar	101.2	-0.6
Austrian Schilling	110.0	+12.2
Belgian Franc	111.5	-1.9
Danish Krone	109.0	+2.9
D-Mark	118.3	+24.8
Swiss Franc	105.9	+14.3
Dutch Guilder	114.4	+16.2
French Franc	103.2	-12.9
Lira	98.9	-19.7
Yen	142.1	+76.9

Morgan Guaranty changes: average 1980-1982=100. Bank of England Index (Base Average 1985=100) **Rates are for Feb 28

CURRENCY RATES

Mar 2	Bank ‡ rate %	Special * Drawing Rights	European † Currency Unit
Sterling	-	0.784608	0.711201
U.S Dollar	3.50	1.38091	1.25072
Canadian $	7.56	1.63210	1.48060
Austrian Sch	7.50	15.9164	14.3870
Belgian Franc	8.50	46.5919	42.0710
Danish Krone	9.50	8.78052	7.92830
D-Mark	8.00	2.26165	2.04467
Dutch Guilder	8.50	2.54612	2.30095
French Franc	10¼	7.69685	6.95024
Italian Lira	12	1697.65	1534.63
Japanese Yen	4.50	178.524	162.031
Norway Krone	8	8.87815	8.01523
Spanish Peseta	-	142.115	128.765
Swedish Krona	10.00	8.21434	7.41488
Swiss Franc	7.00	2.05479	1.85419
Greek Drach	19	262.405	236.223
Irish Punt	-	N/A	0.765996

‡ Bank rate refers to central bank discount rates. These are not quoted by the UK, Spain and Ireland. † European Commission Calculations. * All SDR rates are for Feb.28

OTHER CURRENCIES

Mar 2	£	$
Argentina	1.7415 - 1.7440	0.9900 - 0.9910
Australia	2.3285 - 2.3305	1.3245 - 1.3255
Brazil	2868.20 - 2870.20	1630.60 - 1630.80
Finland	7.8585 - 7.8715	4.4675 - 4.4705
Greece	328.700 - 333.950	187.610 - 190.610
Hong Kong	13.6365 - 13.6495	7.7535 - 7.7555
Iran	2509.00*	1427.00*
Korea(Sth)	1334.15 - 1355.65	763.60 - 772.80
Kuwait	0.51700 - 0.51800	0.29400 - 0.29450
Luxembourg	59.35 - 59.45	33.80 - 33.90
Malaysia	4.5305 - 4.5380	2.5765 - 2.5785
Mexico	5312.20 - 5324.00	3060.00 - 3061.00
N.Zealand	3.2115 - 3.2160	1.8250 - 1.8275
Saudi Ar	6.5320 - 6.6085	3.7495 - 3.7505
Singapore	2.8820 - 2.8890	1.6415 - 1.6435
S.Af (Cm)	5.0000 - 5.0115	2.8440 - 2.8455
S.Af (Fn)	6.3990 - 6.5170	3.6365 - 3.7035
Taiwan	44.00 - 44.15	25.00 - 25.10
U.A.E	6.3960 - 6.4725	3.6715 - 3.6735

*Floating rate. Iran Official rate: £116.25 $66.60

EMS EUROPEAN CURRENCY UNIT RATES

	Ecu Central Rates	Currency Amounts Against Ecu Mar 2	% Change from Central Rate	% Spread vs Weakest Currency	Divergence Indicator
Spanish Peseta	133.631	128.765	-3.64	5.91	63
Dutch Guilder	2.31643	2.30095	-0.67	2.74	32
D-Mark	2.05586	2.04467	-0.54	2.61	34
Belgian Franc	42.4032	42.0710	-0.78	2.86	37
Italian Lira	1538.24	1534.63	-0.23	2.29	11
Irish Punt	0.767417	0.765996	-0.19	2.24	8
French Franc	6.89509	6.95024	0.80	1.24	-44
Danish Krone	7.84195	7.92830	1.10	0.94	-51
Sterling	0.696904	0.711201	2.05	0.00	-40

Ecu central rates set by the European Commission. Currencies are in descending relative strength. Percentage changes are for Ecu; a positive change denotes a weak currency. Divergence shows the ratio between two spreads: the percentage difference between the actual market and Ecu central rates for a currency, and the maximum permitted percentage deviation of the currency's market rate from its Ecu central rate. Adjustment calculated by Financial Times.

POUND SPOT - FORWARD AGAINST THE POUND

Columns: Mar 2 | Day's spread | Close | One month | % p.a. | Three months | % p.a. Rows: US, Canada, Netherlands, Belgium, Denmark, Ireland, Germany, Portugal, Spain, Italy, Norway, France, Sweden, Japan, Austria, Switzerland, Ecu. [illegible] (first row: US 1.7475 - 1.7630)

Commercial rates taken towards the end of London trading. Six-month forward dollar 4.97-4.92cpm. 12 Month 8.70-8.60pm

DOLLAR SPOT - FORWARD AGAINST THE DOLLAR

Columns: Mar 2 | Day's spread | Close | One month | % p.a. | Three months | % p.a. Rows: UK†, Ireland†, Canada, Netherlands, Belgium, Denmark, Germany, Portugal, Spain, Italy, Norway, France, Sweden, Japan, Austria, Switzerland, Ecu†. [illegible]

Commercial rates taken towards the end of London trading. † UK, Ireland and ECU are quoted in US currency. Forward premiums and discounts apply to the US dollar and not to the individual currency.

EURO-CURRENCY INTEREST RATES

Columns: Mar 2 | Short term | 7 Days notice | One Month | Three Months | Six Months | One Year. Rows: Sterling, US Dollar, Can. Dollar, Dutch Guilder, Swiss Franc, D-Mark, French Franc, Italian Lira, Belgian Franc, Yen, Danish Krone, Asian $Sing. [illegible]

Long term Eurodollars: two years 5⅜-5¼ per cent; three years 6⅛-6¼ per cent; four years 6⅝-6½ per cent; five years 7⅛-7¼ per cent nominal. Short term rates are call for US Dollars and Japanese Yen; others, two days' notice.

EXCHANGE CROSS RATES

Mar.2	£	$	DM	Yen	F Fr.	S Fr.	N Fl.	Lira	C$	B Fr.	Ecu
£	1	1.756	2.880	227.5	9.793	2.613	3.243	2161.	2.074	59.40	1.410
$	0.569	1	1.640	129.6	5.577	1.488	1.847	1231	1.181	33.83	0.803
DM	0.347	0.610	1	78.99	3.400	0.907	1.126	750.3	0.720	20.63	0.490
YEN	4.396	7.719	12.66	1000.	43.05	11.49	14.25	9499	9.116	261.1	6.198
F Fr.	1.021	1.793	2.941	232.3	10.	2.668	3.312	2207	2.118	60.66	1.440
S Fr.	0.383	0.672	1.102	87.06	3.748	1	1.241	827.0	0.794	22.73	0.540
N Fl.	0.308	0.541	0.888	70.15	3.020	0.806	1	666.4	0.640	18.32	0.435
Lira	0.463	0.813	1.333	105.3	4.532	1.209	1.501	1000.	0.960	27.49	0.652
C$	0.482	0.847	1.389	109.7	4.722	1.260	1.564	1042	1	28.64	0.680
B Fr.	1.684	2.956	4.848	383.0	16.49	4.399	5.460	3638	3.492	100.	2.374
Ecu	0.709	1.245	2.043	161.3	6.945	1.853	2.300	1533	1.471	42.13	1

Yen per 1,000: French Fr. per 10: Lira per 1,000: Belgian Fr. per 100.

FINANCIAL FUTURES AND OPTIONS

LIFFE LONG GILT FUTURES OPTIONS; LIFFE US TREASURY BOND FUTURES OPTIONS; LIFFE BUND FUTURES OPTIONS; LIFFE EUROMARK OPTIONS; LIFFE ITALIAN GOVT. BOND (BTP) FUTURES OPTIONS; LIFFE SHORT STERLING OPTIONS. [illegible]

LONDON (LIFFE): 20-YEAR 9% NOTIONAL GILT; US TREASURY BONDS 8%; 6% NOTIONAL GERMAN GOVT. BOND; 6% NOTIONAL LONG TERM JAPANESE GOVT. BOND; 9% NOTIONAL ECU BOND; 12% NOTIONAL ITALIAN GOVT. BOND (BTP); THREE MONTH STERLING; THREE MONTH EURODOLLAR; THREE MONTH EUROMARK; THREE MONTH ECU; THREE MONTH EURO SWISS FRANC; FT-SE 100 INDEX; FT-SE EUROTRACK 100 INDEX. [illegible]

* Contracts traded on APT. Closing prices shown.

CHICAGO: U.S. TREASURY BONDS (CBT) 8%; JAPANESE YEN (IMM); DEUTSCHE MARK (IMM); U.S. TREASURY BILLS (IMM); THREE-MONTH EURODOLLAR (IMM); BRITISH POUND (IMM); STANDARD & POORS 500 INDEX; SWISS FRANC (IMM); PHILADELPHIA SE £/$ OPTIONS. [illegible]

PARIS: 7 to 10 YEAR 10% NOTIONAL FRENCH BOND (MATIF) FUTURES; THREE-MONTH PIBOR FUTURES (MATIF); CAC-40 FUTURES (MATIF); ECU BOND (MATIF). [illegible]

Estimated volume 3,368 Total Open Interest 11,252

OPTION ON LONG-TERM FRENCH BOND (MATIF)

Strike	Calls June	Calls September	Calls December	Puts June	Puts September	Puts December
106	-	-	-	0.06	0.25	-
107	2.44	-	-	0.13	-	-
108	-	-	-	0.33	-	-
109	0.98	-	-	0.64	-	-
110	0.50	-	-	1.15	1.48	-
111	0.23	0.66	-	-	-	-
112	0.10	-	-	-	-	-
Open Int	80,658	11,133	-	65,720	3,976	50

Estimated volume 9,858 Total Open Interest 161,537

POUND - DOLLAR

FT FOREIGN EXCHANGE RATES

Spot	1-mth.	3-mth.	6-mth.	12-mth.
1.7555	1.7455	1.7290	1.7060	1.6690

BASE LENDING RATES

	%		%		%
Adam & Company	10.5	Credit Lyonnais	10.5	McDonnell Douglas Bnk.	10.5
Allied Trust Bank	10.5	Cyprus Popular Bk	10.5	Midland Bank	10.5
AIB Bank	10.5	Duncan Bank PLC	10.5	Mount Banking	10.5
● Henry Ansbacher	10.5	Duncan Lawrie	10.5	NatWestminster	10.5
B & C Merchant Bank	10.5	Equatorial Bank plc	10.5	Northern Bank Ltd	10.5
Bank of Baroda	10.5	Exeter Bank Limited	11	Nykredit Mortgage Bank	11
Banco Bilbao Vizcaya	10.5	Financial & Gen. Bank	11	Provincial Bank PLC	14
Bank of Cyprus	10.5	First National Bank Plc.	14	Roxburghe Bank Ltd	11.5
Bank of Ireland	10.5	● Robert Fleming & Co.	10.5	Royal Bk of Scotland	10.5
Bank of India	10.5	Robert Fraser & Ptnrs.	11	● Smith & Williamson Secs.	10.5
Bank of Scotland	10.5	Girobank	10.5	Standard Chartered	10.5
Banque Belge Ltd	10.5	● Guinness Mahon	10.5	TSB	10.5
Barclays Bank	10.5	● Hambros Bank	10.5	Unibank plc	10.5
Benchmark Bank	11	Hampshire Trust Plc	13.5	● United Bk of Kuwait	10.5
Brit Bk of Mid East	10.5	Heritable & Gen Inv Bnk.	10.5	Unity Trust Bank Plc	10.5
● Brown Shipley	10.5	● Hill Samuel	10.5	Western Trust	10.5
CL Bank Nederland	10.5	C. Hoare & Co.	10.5	Westpac Bank Corp.	10.5
Citibank NA	10.5	Hongkong & Shanghai	10.5	Whiteaway Laidlaw	10.5
City Merchants Bank	10.5	Julian Hodge Bank	10.5	Yorkshire Bank	10.5
Clydesdale Bank	10.5	● Leopold Joseph & Sons	10.5		
Co-operative Bank	10.5	Lloyds Bank	10.5		
Coutts & Co	10.5	Meghraj Bank Ltd	10.5		

● Members of British Merchant Banking & Securities Houses Association.

MONEY MARKET FUNDS

Money Market Trust Funds

Money Market Bank Accounts

[illegible]

NOTES - Gross: Contractual rate of interest payable, not taking account of the deduction of basic rate income tax. Net: Rate of interest payable after allowing for deduction of basic rate income tax. CAR: Compounded Annualised Rate. Int Cr: Frequency at which interest is credited to the account.

Of broking and jobbing the Pelikan's fond. See how sweetly he puts your word onto bond. Pelikan

JOTTER PAD

MONEY MARKETS

Trading still slow

MONEY market rates remained little changed after a quiet day's trading caused by continuing political nervousness.

There was, however, no repeat of the liquidity problems seen on Friday. While the overnight market had been uneasy at the outset, with early estimates putting the shortage for the day at £1bn, money soon cheapened as the market moved quickly to sell out the gap.

The Bank of England initially forecast a shortage of around £900m, and took out much of this as it purchased bills worth £800m for resale to the market on March 23 at 10⁷⁄₁₆ per cent.

At midday, the shortage was revised to around £1bn, and the Bank compensated by purchasing £130m of band 1 bank bills and £70m of band 2 bills, both at 10⅜ per cent.

When the forecast was revised upwards again to £1.15bn, the Bank bought a further £120m of band 1 bank bills and £10m of band 2 bank bills at 10⅜ per cent. It provided late assistance of £60m.

UK clearing bank base lending rate 10.5 per cent from September 4, 1991

As a result, overnight rates, which had earlier topped 11 per cent, first eased to 10-9¾ per cent, and later dropped as far as 5 per cent late in the day, before lifting to close around 9-8¾ per cent.

Period rates, meanwhile, showed little change is expected in the basic market situation before the Budget on March 10. Most traders had already decided there would be no base rate cut until then, and some now believe there may be no cut before the general election.

The key three-month interbank rate was unchanged at 10⅝-10½ per cent. The March short sterling contract dropped six points to 89.72.

German call money rates remained at 9.55/65 per cent despite a sharp rise in reserves. Traders said the liquidity that had left the market on Wednesday for pension payments largely flowed back on Thursday, but the market was uncertain about the timing of employee wage payments.

In the US, the Federal Reserve injected reserves into the system through overnight repurchase agreements. The federal funds rate came under pressure from the settlement of two- and five-year note auctions, with funds trading at 4⅟₁₆ per cent at the Fed's operations time, above the presumed 4 per cent target.

FT LONDON INTERBANK FIXING

(11.00 a.m. Mar.2) 3 months US dollars		6 months US Dollars	
bid 4⅛	offer 4¼	bid 4¼	offer 4⅜

The fixing rates are the arithmetic means rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted to the market by five reference banks at 11.00 a.m. each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

MONEY RATES

NEW YORK — Treasury Bills and Bonds

4pm					
Prime rate	6½	One month	3.92	Three year	5.91
Broker loan rate	6	Two month	3.98	Five year	6.73
Fed.funds	4⅛	Three month	4.13	Seven year	7.07
Fed.funds at intervention	4⅛	Six month	4.25	10-year	7.38
		One year	4.47	30-year	7.91
		Two year	5.44		

Mar.2	Overnight	One Month	Two Months	Three Months	Six Months	Lombard Intervention
Frankfurt	9.55-9.65	9.50-9.60	9.50-9.60	9.50-9.60	9.50-9.60	9.75
Paris	9⅞-9⅞	9⅞-10	9⅞-10	9⅞-10	9⅞-9⅞	9.60
Zurich	6¾-7¼	7⅛-7¼	-	7⅛-7¼	-	-
Amsterdam	9.38-9.50	9.46-9.58	-	9.48-9.56	-	-
Tokyo	5⅜-5⅞	5⅜-5⅞	-	4⅞-4⅞	-	-
Milan	12-12¼	12¼-12⅛	-	12⅛-12¼	-	-
Brussels	9.56-9.62	9½-9¾	-	9½-9¾	-	-
Dublin	10⅛-10½	10⅝-10½	10⅝-10⅝	10⅝-10⅝	10⅝-10⅝	-

LONDON MONEY RATES

Mar 2	Overnight	7 days notice	One Month	Three Months	Six Months	One Year
Interbank Offer	11¼	10⅞	10⅝	10⅝	10⅝	10⅝
Interbank Bid	7	10⅝	10⅝	10½	10½	10½
Sterling CDs	-	-	10½	10½	10½	10½
Local Authority Deps	11	10⅝	10⅝	10⅝	10⅝	10⅝
Local Authority Bonds	-	-	-	-	-	-
Discount Mkt Deps	10¼	10⅝	-	-	-	-
Company Deposits	-	-	10⅝	10⅝	10⅝	10¾
Finance House Deposits	-	-	10⅝	10⅝	10⅝	10⅝
Treasury Bills (Buy)	-	-	10⅛	9⅞	9½	-
Bank Bills (Buy)	-	-	10⅝	9⅞	9⅝	-
Fine Trade Bills (Buy)	-	-	-	-	-	-
Dollar CDs	-	-	4.22	4.20	4.27	4.65
SDR Linked Dep. Offer	-	-	6⅝	6⅝	6⅝	6⅝
SDR Linked Dep. Bid	-	-	6⅛	6⅛	6⅛	6½
ECU Linked Dep. Offer	-	-	10⅟₁₆	10⅛	10⅛	10⅟₁₆
ECU Linked Dep. Bid	-	-	9⅞	10	10	9⅞

Treasury Bills (sell); one-month 10⅛ per cent; three months 9⅞ per cent; six months 9⅞ per cent; Bank Bills (sell); one-month 10⅛ per cent; three months 9⅞ per cent; Treasury Bills; Average tender rate of discount 9.7383 p.c. ECGD Fixed Rate Sterling Export Finance. Make up day February 28, 1992. Agreed rates for period Mar.25, 1992 to April 25, 1992, Scheme I: 11.67 p.c., Schemes II & III: 11.64 p.c. Reference rate for period Feb 1, 1992 to February 28, 1992, Scheme IV&V: 10.433 p.c. Local Authority and Finance Houses seven days' notice, others seven days' fixed. Finance Houses Base Rate 11 from March 1, 1992: Bank Deposit Rates for sums at seven days notice 4 per cent. Certificates of Tax Deposit (Series 6); Deposit £100,000 and over held under one month 7 per cent; one-three months 9½ per cent; three-six months 9 per cent; six-nine months 9 per cent; nine-twelve months 9 per cent; Under £100,000 7 per cent from Sept 5, 1991. Deposits withdrawn for cash 5 per cent.

COURIER & EXPRESS SERVICES

The FT proposes to publish this survey on

May 15 1992.

The survey will be seen in 160 countries worldwide and will be of special interest to 51,000 readers in the UK who are decision makers on postal despatch and freight services. If you want to reach this important audience, call

Bill Castle

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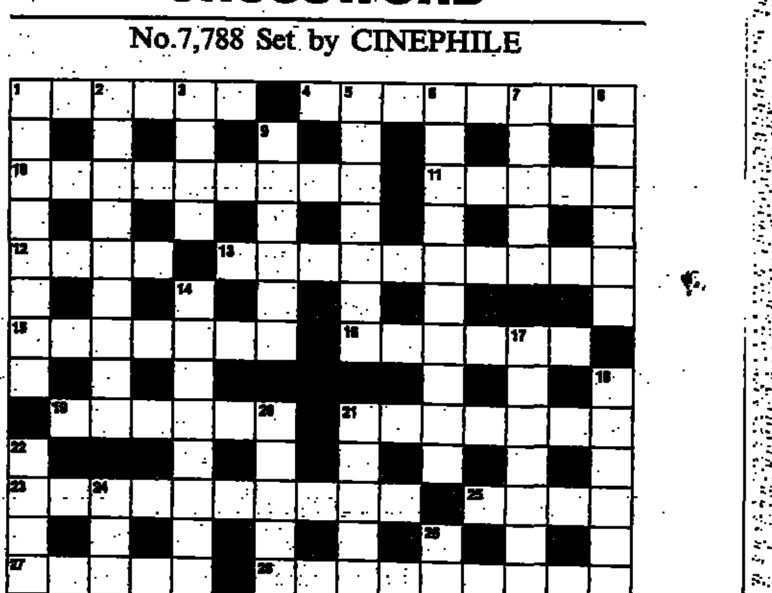
Data source: BMRC Businessman survey 1990

FT SURVEYS

CROSSWORD

No.7,788 Set by CINEPHILE



V in the across clues has more or less the same meaning, though some go by water

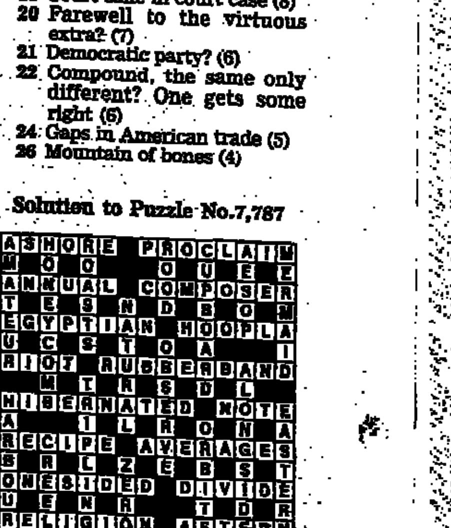
ACROSS

1 Strong V in decay (6)
4 Short length V provides top cover (8)
10 V returned blushing with compiler's stuffing (9)
11 Princess V in bed (5)
12 Back portion of gin and V (4)
13 Impresario put lace mat on V, we hear (5,5)
15 Cross in the air finished V (7)
16 V-like V in 100-year case (6)
19 Concerned for gin cocktail after V (6)
21 V in the kitchen (7)
23 V for Rada instructor (5,5)
25 Southern V formed on wound (4)
27 V test for slogan (5)
28 V's V with pipe (9)
29 V's ill-starred love (8)
30 Charles the Frank backed the French V (6)

DOWN

1 Revolution for crops? (8)
2 Early photographer of beginnings of universities going in to be artist (3,6)
3 Earth first, then water? (4)
5 Poetic licence after idly moving? (7)
6 Wrong day at church — in a flap for part of it (4,6)
7 Negative, in one version (5)
8 Athlete on the mat may be scarlet (6)
9 Wanting eggs (or offspring, in person) (6)
14 Junior staff required if company by foes is troubled (6,4)
17 Crime that upset schedule? (4,5)
18 Court cake in court case (8)
20 Farewell to the virtuous extra? (7)
21 Democratic party? (6)
22 Compound, the same only different? One gets some right (6)
24 Gaps in American trade (5)
26 Mountain of bones (4)

Solution to Puzzle No.7,787



WORLD STOCK MARKETS

INDICES

NEW YORK

DOW JONES	Mar 2	Feb 28	Feb 27	Feb 26	1992 HIGH	1992 LOW	Since compilation HIGH	Since compilation LOW
♦Industrials	3275.27	3267.67	3269.45	3283.82	3283.82 (26/2)	3172.41 (2/1)	3283.82 (26/2/92)	41.22 (2/7/32)
Home Bonds	99.31	99.50	99.37	98.95	99.81 (6/2)	95.56 (24/2)	99.81 (6/2/92)	54.99 (1/10/81)
Transport	1443.01	1428.25	1432.17	1443.76	1467.68 (26/2)	1342.12 (2/1)	1532.01 (5/9/89)	12.32 (8/7/32)
Utilities	204.99	205.62	205.87	205.81	225.59 (3/1)	203.74 (24/2)	236.23 (2/1/90)	10.50 (8/4/32)

♦Day's High 3298.97 (3304.11) Low 3242.40 (3247.32)

STANDARD AND POOR'S

	Mar 2	Feb 28	Feb 27	Feb 26	1992 HIGH	1992 LOW	Since compilation HIGH	Since compilation LOW
Composite ‡	412.45	412.70	413.86	415.35	420.77 (15/1)	407.38 (18/2)	420.77 (15/1/92)	4.40 (1/6/32)
Industrials	490.69	491.08	492.45	494.42	499.27 (15/1)	483.91 (18/2)	499.27 (15/1/92)	3.62 (21/6/32)
Financial	34.86	34.75	34.88	34.81	35.14 (15/1)	33.53 (31/1)	35.24 (9/10/89)	8.64 (1/10/74)
NYSE Composite	228.20	228.21	228.75	229.23	231.85 (15/1)	225.65 (18/2)	231.85 (15/1/92)	4.46 (25/4/42)
Amex Mkt. Value	416.79	416.09	416.09	413.57	418.99 (12/2)	395.51 (2/1)	418.99 (12/2/92)	29.31 (9/12/72)
NASDAQ Composite	635.47	633.47	633.95	632.40	644.92 (12/2)	586.45 (2/1)	644.92 (12/2/92)	54.87 (31/10/72)

	Feb 28	Feb 21	Feb 14	year ago (approx.)
Dow Industrial Div. Yield	2.79	2.78	2.82	3.45

	Feb 26	Feb 19	Feb 12	year ago (approx.)
S & P Industrial div. yield	2.57	2.60	2.54	2.19
S & P Indl. P/E ratio	29.03	25.03	25.61	17.77

NEW YORK ACTIVE STOCKS

Monday	Stocks traded	Closing price	Change on day
Glaxo	2,325,500	27⅝	-⅛
BankAmerica	2,214,100	44½	+1
Chrysler	2,041,000	16¼	-¼
RJR Nabisco	1,789,100	10⅝	...
Philip Morris	1,672,600	76½	-¼
Nat Med Ent	1,650,700	14⅛	-¼
Contl Corp	1,598,900	28	-⅝
Am T & T	1,482,800	36¼	-⅛
Ford Motor	1,471,300	37⅛	+⅛
IBM	1,440,200	87½	+⅝

TRADING ACTIVITY

† Volume (Millions)	Mar 2	Feb 28	Feb 27
New York SE	180.380	202.130	215.050
Amex	16.503	15.213	16.387
NASDAQ	(u)	204.644	205.537
NYSE			
Issues Traded	2,220	2,250	2,233
Rises	907	818	905
Falls	806	883	796
Unchanged	507	529	532
New Highs	79	88	108
New Lows	16	14	13

CANADA TORONTO

	Mar 2	Feb 28	Feb 27	Feb 26	1992 HIGH	1992 LOW
Metals & Minerals	3096.57	3096.02	3094.21	3126.27	3238.87 (16/1)	2935.22 (2/1)
Composite	3579.47	3581.94	3584.08	3580.46	3666.00 (16/1)	3493.66 (2/1)
MONTREAL Portfolio	1878.27	1880.01	1883.31	1884.47	1937.59 (16/1)	1851.90 (20/2)

Base values of all indices are 100 except NYSE All Common – 50; Standard and Poor's – 10; and Toronto Composite and Metals – 1000. Toronto indices based 1975 and Montreal Portfolio 4/1/83. † Excluding bonds ‡ Industrial, plus Utilities, Financial and Transportation. (c) Closed. (u) Unavailable.

U.S. Capital Intl (1/1/70) ($)	514.9*	514.4	515.0	513.3	542.10 (7/1)	506.80 (19/2)
Euro Top-100 (26/6/90)	939.91	939.92	938.50	935.64	939.92 (28/2)	870.31 (2/1)

*Saturday February 29: Taiwan Weighted Price: 5142.42. Korea Comp Ex. 612.50
‡ Subject to official recalculation *Calculated at 15.00 GMT.
Base values of all indices are 100 except Austria Traded, BEL20, HEX Gen., MIB Gen., Euro Top-100, ISEQ Overall and DAX – 1,000, JSE Gold – 255.7, JSE 26 Industrials – 264.3 and Australia All Ordinary and Mining – 500; (c) Closed (u) Unavailable.

TOKYO - Most Active Stocks
Monday 2 March 1992

	Stocks Traded	Closing Prices	Change on day		Stocks Traded	Closing Prices	Change on day
Kaken Pharm	6.2m	1,490	+90	Daiichi Pharm	3.0m	1,750	+10
Clarion	4.4m	1,320	-10	Morinaga Milk	2.8m	720	+10
Ajinomoto	4.3m	1,480	+70	Mochida Pharm	2.7m	3,770	+450
Green Cross	3.5m	1,180	+110	Bank Yokohama	2.6m	1,200	+30
Nippon Steel	3.4m	346	+1	Nippon Carbon	2.4m	1,900	-40

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FINANCIAL TIMES
EUROPE'S BUSINESS NEWSPAPER

4:00 pm prices March 2

NEW YORK STOCK EXCHANGE COMPOSITE PRICES

1992 High	1992 Low	Stock	Div.	Yld. %	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
15⅞	12¼	AAR Corp	0.48	3.1	17	165	15⅞	15½	15⅞	+⅛
28	20⅞	A L Labs A	0.16	0.7	24	391	22⅞	21⅞	22½	+⅝
68¾	58⅛	AMP Inc	1.52	2.4	25	1470	63¼	62⅛	63⅛	+1⅛
79	66⅞	AMR				278112	78⅛	76	78¾	+2⅜
2⅞	1⅞	ARX			2	233	2⅛	1⅞	2⅛	+⅛
63½	46⅛	ASA	2.76	5.7	13	306	48	47⅝	47⅞	–⅛
68⅞	60¼	Abbott Lab	0.60	1.0	24	3749	63¾	63	63¼	–½
13½	12⅛	Abitibi Pr	0.43	3.2	28	31	13¼	13⅛	13¼	
11⅝	10½	ACM Gvt In	0.96	9.1		314	10⅝	d10½	10½	
10⅞	9⅛	ACM GvOpp	0.80	8.5		338	9⅜	9¼	9⅜	+⅛
9½	8⅝	ACM Gvt Sc	0.80	9.1		226	8⅞	8¾	8¾	–⅛
11¼	10⅛	ACM Gvt Sc	0.96	9.1		367	10½	10⅜	10½	+⅛
9⅞	8⅝	ACM Man	0.95	10.3		247	9¼	9⅛	9¼	+⅛
12⅞	10⅞	ACM Managd	1.08	9.6		342	11¼	11⅛	11¼	
10⅛	7	Acme Cleve	0.40	4.0	18	224	9⅞	9¾	9⅞	+⅛
5¼	4½	Acme Elect			3	32	u5¼	5	5	–¼
33¼	21	Acuson			13	2042	21⅝	d21	21¼	+¼
19⅞	16½	Adams Expr	0.48	2.5	0	99	19¼	19	19¼	+¼
15½	13	Adobe12PI	2.40	16.6		20	14⅝	14½	14½	
5⅞	4½	Adobe Res			2	199	5⅛	5	5	–⅛
49⅛	42¼	Ad Micro	3.00	6.9		158	44	43½	43½	–¼
21½	17⅜	Ad Micro P	3.00	16.6	11	6624	18⅛	18	18⅛	–⅛
8⅛	5	Advest Grp	0.16	1.9	35	305	8⅞	8½	8½	–⅜

Samsung Notebook PC:
Notemaster 386 S/25

AMD 80386SXL-25MHz Microprocessor
Removable 2.5" HDD

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Continued on next page

NYSE COMPOSITE PRICES

Continued from previous page

AMEX COMPOSITE PRICES

4:00 pm prices March 2

NASDAQ NATIONAL MARKET

4:00 pm prices March 2

- X - Y - Z -

Xilinx		31	969	30	28¾	29¾	+1
Xoma Corp		12	13804	24½	22	22½	−2
Yellow Fr	0.94	33	673	31¾	30⅞	31½	+⅛
York Rsch		50	1084	6⅛	5¾	6	+⅛
ZionsUtah	1.44	10	54	u49½	48¾	48½	−½

POLAND

The FT proposes to publish this survey on **28th April 1992**.

This survey will be included in the FT of that day and will be printed in London, Frankfurt, Roubaix, New Jersey and Tokyo. It will be distributed in 160 countries world-wide.

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FT SURVEYS

BRUSSELS

The FT proposes to publish this survey on **April 3 1992.**

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FT SURVEYS

AMERICA

Dow eases as long-term bond yields rise sharply

Wall Street

US share prices ended only slightly higher after investor sentiment had been unsettled by a sharp rise in bond yields following a surprisingly bullish purchasing managers' report, *writes Patrick Harverson in New York.*

At the close the Dow Jones Industrial Average was up 7.60 at 3,275.27, the index having spent all day within a few points of Friday's close.

The more broadly based Standard & Poor's 500 finished slightly weaker, down 0.29 at 412.41, while the Nasdaq composite index of over-the-counter stocks climbed 2.00 to 635.47.

Turnover on the NYSE was light at 181m shares, while rises marginally outpaced declines by 882 to 830.

The announcement from the National Association of Purchasing Management that its index of economic activity for February had risen from 47.4 per cent to 52.4 per cent was a welcome piece of economic news. But it was outweighed by the rise in long-term bond yields, which approached 8 per cent as dealers sold bonds in the belief that the NAPM report reduced the likelihood for further interest rate cuts.

Equity market sentiment was affected because higher bond yields raise the cost of borrowing, especially in the housing sector.

Paramount Communications jumped $1⅛ to $47⅞ after PaineWebber upgraded its rating on the stock from "neutral" to "buy" and predicted that the entertainment group's first-quarter earnings should underscore a big improvement in operating margins.

Digital Equipment rose $⅛ to $62⅛ after the company announced that it is offering early retirement to 7,000 staff. Other big computer stocks were also firmer, with Hewlett-Packard up $1⅜ at $74⅜, IBM $⅛ firmer at $87⅞ and Compaq $⅛ higher at $30¼.

Travelers dropped $1 to $20 as investors reacted badly to reports that a recent filing with the Securities and Exchange Commission reveals that the insurance group is seeking capital to cover losses from its property portfolio.

Grace Energy jumped $2⅝ to $17⅛ on the news that W R Grace (down $¾ at $43⅞) will buy 4m shares of its energy affiliate for $16.50 a share.

On the over-the-counter market, Scitex climbed $1¼ to $42¼ in turnover of 1.8m shares in response to Friday's late news that International Paper had agreed to buy 11 per cent of Scitex. International Paper rose $1 to $74⅞.

Canada

TORONTO prices ended little changed in subdued dealings. Based on preliminary data, the composite index shed 2.47 points, or 0.07 per cent, to 3,579.4, with declining issues leading advances 281 to 252. Volume fell to 18.4m shares worth C$201.4m against 26.8m shares worth C$285.5m on Friday. Eight of 14 sub-groups were lower, with no major swings in the individual groups.

HK at record high after difficult period

By Simon Holberton

HONG KONG came back to lead the world last week, after a period of edginess and some profit-taking in mid-February. Its best day was last Thursday when the Hang Seng index rose by 2.1 per cent, but on Friday it closed higher again to leave the index at yet another record high.

Thursday's gain came on better-than-expected results for Hongkong and Shanghai Bank's Australian subsidiary and the failure of the US Senate to pass, by a two-third majority, a law seeking to apply conditions to China's Most Favoured Nation trading status.

But brokers and analysts say that a more relaxed attitude to the US dollar by international investors has been important for the market. Because Hong Kong dollars are freely convertible for US dollars at a fixed rate, the local market offers investors access to what are effectively US assets.

Domestic brokers say that buying interest was broadly based on Thursday. Local, mainland Chinese, European and US investors were all in the market. Particularly aggressive were mainland Chinese investors who have not been seen to be active for a long time.

In London, Mr David Bates of Asia Equity has seen a strong trend of US institutional buying last week, indicating a large switch of US money into Hong Kong.

The "atmospherics" surrounding the Hong Kong market appear to many in the market to be propitious. The southern Chinese economy is growing rapidly and that is to the benefit of a lot of Hong Kong companies which have investments there.

On a more fundamental basis, analysts are expecting earnings growth for Hong Kong companies of between 16 and 18 per cent this year. To many the market still appears to be undervalued.

The Asia Pacific region also took in the worst performer in the FT-Actuaries World Index series last week, namely Singapore. Mr Bates says that there has been a switch from Singapore to Malaysia and Hong Kong over a period; meanwhile, last week saw a budget categorised as a non-event. "Corporation tax was cut by a percentage point," he adds, "but people thought that the package would be a lot more generous."

The major equity markets made a restrained, but positive showing last week and the World Index reflects this with a rise of 0.6 per cent, Europe leading other regions with a 1.1 per cent increase.

Spain came out top in Europe following record mid-week highs on Wall Street, and the cut in the Bank of Spain's intervention rate by 25 basis points.

Mr Stephen Hughes at Nikko Europe in London, says that Madrid's most recent rally has been based mainly on the strong performance of a limited number of blue chips. He notes that the banking sector has underperformed significantly, and that a short-term consolidation will be necessary before the market pushes on again.

Additional reporting by William Cochrane in London.

MARKETS IN PERSPECTIVE

	% change in local currency †				% change sterling †	% change in US $ †
	1 Week	4 Weeks	1 Year	Start of 1992	Start of 1992	Start of 1992
Austria	-2.40	+7.08	-9.59	+18.16	+16.58	+9.48
Belgium	+1.30	+1.24	+0.99	+5.44	+4.27	-2.08
Denmark	-1.50	-4.38	+0.85	-0.85	-1.57	-7.57
Finland	-2.23	-0.07	-7.93	+19.23	+17.34	+10.19
France	+1.21	+5.43	+12.60	+11.70	+10.73	+3.98
Germany	+1.94	+3.86	+6.84	+11.16	+9.66	+2.97
Ireland	-0.64	-2.22	+1.37	+4.12	+3.68	-2.64
Italy	+0.33	-0.53	-5.11	+7.62	+7.10	+0.57
Netherlands	+0.47	+1.70	+13.76	+7.29	+5.98	-0.49
Norway	-0.08	-7.74	-16.12	-0.87	-1.76	-7.75
Spain	+3.55	+5.11	+4.60	+8.95	+8.61	+1.99
Sweden	+1.77	+0.59	-4.23	+5.83	+5.34	-1.08
Switzerland	+1.63	+4.04	+15.95	+9.92	+6.87	+0.35
UK	+0.78	-0.18	+6.90	+3.22	+3.22	-3.07
EUROPE	+1.10	+1.72	+6.95	+6.75	+6.03	-0.43
Australia	-0.21	-0.75	+13.57	-3.07	+2.33	-3.81
Hong Kong	+3.92	+7.12	+41.06	+15.57	+23.43	+15.92
Japan	+0.26	-5.08	-20.32	-9.88	-7.19	-12.84
Malaysia	-1.97	+6.17	+1.56	+6.71	+21.76	+14.34
New Zealand	-0.27	+2.04	+4.31	-2.47	+5.19	-1.26
Singapore	-4.05	-4.75	+2.53	-1.84	+3.06	+3.22
Canada	+0.64	-0.63	+1.38	+1.80	+6.07	-0.40
USA	+0.40	+0.98	+13.30	-0.79	+5.64	-0.79
Mexico	+2.65	+14.02	+197.19	+26.05	+33.38	+26.25
South Africa	+1.83	+0.28	+29.52	+4.46	-7.52	-13.15
WORLD INDEX	+0.59	-0.54	+0.56	-1.35	+1.99	+1.99

† Based on February 28th 1992. Copyright, The Financial Times Limited, Goldman, Sachs & Co., and County NatWest Securities

ASIA PACIFIC

Drug stocks rise again on individual buying

Tokyo

CONTINUED STRENGTH in drug-related stocks, on the back of buying by individual investors, pushed the Nikkei average up yesterday, *writes Emiko Terazono in Tokyo.*

The 225-issue average closed up 149.01 at 21,487.82. After falling to the day's low of 21,342.62 immediately after the opening, the index reached the day's high of 21,550.86 during the morning session on arbitrage-related buying.

Volume edged up to 200m shares from 180m. Advances led declines by 564 to 370 with 182 issues unchanged. The Topix index of all first section stocks rose 6.58 to 1,561.07 and in London trading, the ISE/Nikkei 50 index lost 1.45 to 1,192.76.

The drug sector was the largest gainer of the day, rising 4.04 per cent, followed by mining and food. The market focused on Aids-related issues, which traders dubbed as "dream stocks", unaffected by the slowing economy and sluggish company earnings.

"It is the first thematic activity of this year, and indicates that investors have started to take a cautious interest," said Mr Nick Cant at Baring Securities.

Reports that the major securities houses – Nomura, Daiwa, Nikko and Yamaichi – were going to support the market by setting up investment trusts for institutional investors failed to boost the market.

A business daily reported that companies, which cannot hold their own shares, would be able to buy their own stock through the funds. However, the brokerages later denied such plans.

The market is waiting for Friday's publication of the Bank of Japan's quarterly survey of business sentiment. Market participants had hoped that publication would coincide with a cut in the discount rate. But recent pressure by leading politicians to ease monetary policy is likely to have caused the Bank of Japan, which is keen to protect its independence, to dig in its heels.

Kaken Pharmaceutical was the most active issue of the day, rising Y10 to Y1,490. Mochida Pharmaceutical gained by its daily limit of Y450 to Y3,770. The issue did not trade until the final 20 minutes due to the lack of sellers.

By contrast, the air transportation sector was the largest loser, falling 2.3 per cent. Japan Airlines fell Y24 to Y852 on last Friday's projections of a pre-tax loss for the current year. All Nippon Airways fell Y40 to Y1,180.

Nichiboshin, a non-bank financial institution, fell Y47 to Y485 on concerns about its bad loans to real estate companies.

Electronics issues fell on light foreign selling. Hitachi lost Y5 to Y835 and Sony retreated Y10 to Y4,070.

In Osaka, the OSE average gained 193.49 to 23,149.06 in volume of 53.7m shares. The index rose above 23,000 for the first time in 12 trading days as investors sought drug-related issues.

Roundup

THE RISE in Toyko helped lift part of the Pacific Rim.

HONG KONG ended off the day's highs as profit-taking and news of a rights issue eroded initial gains. The Hang Seng index added more than 50 points shortly after the opening but closed up 23.13 at 4,952.19. Turnover eased to HK$3.02bn from HK$4.06bn.

Jardine International Motor Holdings fell 45 cents at HK$5.70 after news that it hoped to raise $56.3m through a one-for-four rights issue.

SEOUL staged a technical rebound in response to last week's loss. The composite index, which hit a high of 626.73 before profit-taking emerged, ended 8.15 higher at 620.65 on a turnover of Won292.9bn after Won194.3bn on Saturday.

SINGAPORE fell as investors took stock of Friday's budget in which the government forecast slower earnings growth this year.

The Straits Times Industrial index closed down 16.93 or 1.14 per cent at 1,460.50 in volume of 48.5m shares.

KUALA LUMPUR closed broadly lower in cautious trading. The composite index fell 3.13 to 601.93.

BANGKOK's SET index closed down 3.75 at 779.10 in turnover of Bt7.36bn. Bangkok Bank shed Bt56 to Bt632 on profit-taking while Bangkok Land gained Bt10 to Bt216.

JAKARTA eased 0.56 to 280.43 in volume of 4.2m shares against 5.65m. Inco, the nickel producer, fell Rp50 to Rp3,550.

TAIWAN's weighted index gained 1.95 to 5,144.37 in turnover of T$39bn against T$37bn. Investors remained cautious ahead of constitutional reforms due to be implemented soon.

MANILA was further depressed by a fall in Philippine Long Distance Telephone in New York on Friday. The composite index ended down 11.84 at 1,171.83.

AUSTRALIA rose in quiet trading and the All Ordinaries index closed up 11.3 at 1,625.4 in turnover of A$169m. Coles Myer gained 18 cents to A$11.66 while News Corp put on 26 cents to A$17.40. BHP rose two cents to A$13.64.

NEW ZEALAND was lead higher by active overseas interest in Telecom which rose 8 cents to NZ$2.54. The NZSE-40 index gained 7.52 to 1,500.73.

BOMBAY's BSE index soared a record 315.57 or 10.5 per cent to a new high of 3,333.25, boosted by Saturday's budget. The budget scrapped wealth tax on share investments, allowed foreign pension funds to buy stocks directly, cut import and excise duties and made the rupee partially convertible.

The exchange authorities also lifted a ban on forward dealings in shares, imposed in January to curb excess speculation. This allowed freer market operation, brokers said.

SOUTH AFRICA

JOHANNESBURG fell in thin trading as the gold price weakened and a stronger financial rand put pressure on share prices. The overall index lost 18 to 3,579, the all-gold index fell 19 to 1,220. The industrial index also shed 19 to 4,398.

EUROPE

Political decisions influence Brussels and Milan bourses

POLITICS upset Milan but lifted Brussels yesterday, while holidays kept senior bourses quiet, *writes Our Markets Staff.*

MILAN was dealt a serious blow by President Francesco Cossiga's refusal to sign a bill to liberalise car insurance premiums. The Comit index fell 3.63 to 532.40.

Analysts said that the bill was now unlikely to become law ahead of the general election in April or, because of its unpopularity, to be taken up again by the next government. In any case, the EC is expected to force Italy to liberalise its car insurance market in 1994.

They added that Mr Cossiga had shattered the only real investment theme in the Italian stock market. The one glimmer of hope was that the authorities would compensate the insurers with an above-inflation rise in car insurance premiums this year.

There was widespread selling of insurers, which had been expected to see a turnround in profits as a result of the reform. Sai and Lloyd Adriatico, both heavily exposed to the car insurance market, fell L400 and L290 respectively to L13,400 and L15,410. But Generali, which fell L260 to L30,690 at the fixing, improved slightly after hours.

In banks, Santo Spirito and Banco di Roma continued to weaken after last week's share exchange news. Indifferent 1991 results also weighed on the sector.

BRUSSELS rose to a two-year high on weekend news that Belgium's mainstream political parties had reached an accord on forming a new government. Cyclical shares were particularly favoured as the Bel-20 Index rose 18.66 to 1,229.21 in turnover of BFr1.5bn.

In the insurance sector, Groupe AG rose BFr90 to BFr2,200 and Royale Belge picked up BFr140 to BFr4,570, on speculation that they would both merge with banks.

FRANKFURT had a quiet day as carnival closed Düsseldorf and turnover dropped from DM6bn to DM3.5bn. The DAX index closed 2.74 higher at 1,747.87 after a decline of 0.46 to 709.29 in the FAZ at midsession.

Volkswagen, depressed in 1991, closed DM6.50 higher at DM368.10, up 28 per cent from its 1992 low. Allianz, the insurer, strong recently after deeply discounted rights issue terms, put on another DM20 to DM2,420.

Among second-liners, Rütgerswerke, the chemicals group, dropped DM20 to DM400 on profit-taking after a 29 per cent rise in the previous four weeks.

PARIS had a quiet day, the CAC-40 index ending 3.71 down at 1,979.67 after trading in a 13-point range. Turnover was thin at FFr1.5bn, reflecting school holidays. Leading blue chips were largely unchanged, but there was some activity in smaller stocks.

A block of 150,000 shares in TF1 was put through the market at FFr380 and there were rumours that the sellers were the Maxwell group or GMF, an insurance company.

But rumours that the buyer was Bouygues were dismissed by analysts because the construction company was limited to its 25 per cent stake.

TF1 closed down FFr11 at FFr379 in total volume of 155,687 shares. The television company is known to have an unstable shareholding structure and analysts expect the fight for control to resurface.

AMSTERDAM closed slightly lower in dull trade. The CBS Tendency Index slipped back 0.4 to 126.2. Bührmann Tetterode fell 90 cents to Fl 43.10 before its results, which came out after the close, showed a 25 per cent fall in net profits. The paper and office equipment group also said that the dividend would be cut.

Fokker, which announced on Friday that it was paying its first dividend for five years, rose 30 cents to Fl 32.00. Heineken, which reports 1991 results on Thursday, fell Fl 1.20 in early trading but recovered to close down 10 cents at Fl 168.80.

OSLO corrected last week's fall and the all-share index closed up 6.60 or 1.6 per cent to close at 418.91 in turnover of NKr252.5m. Norsk Hydro gained NKr4 to NKr141.5 while Saga Petroleum A rose NKr0.50 to Nkr71.50. Den Norske Bank, which was suspended for three hours on Friday, rose NKr0.90 to NKr7.30.

COPENHAGEN's CSE index slipped 2.19 to 345.34 in relatively lively trading, *writes Hilary Barnes.* Speculation that Mr Poul Schlüter, prime minister since 1982, may be forced to resign later this year reinforced the market's negative mood.

Investors took unkindly to Carlsberg's rights issue, although it was priced at a deeply-discounted DKr200, the B shares falling by DKr22 to DKr318 yesterday.

STOCKHOLM said that high liquidity among institutional investors, falling Swedish interest rates and strong foreign interest were behind a rise in the Affärsvärlden General index of 9.5 to 950.9.

Volvo B rose SKr4 to SKr382, and Procordia restricted A by SKr7 to SKr200. The rise followed a newspaper report saying that Volvo and the Swedish state might each sell their 42.7 per cent voting stakes in Procordia.

MADRID was overshadowed by results from Telefónica which reported a 33 per cent increase in 1991 net profits. However, unease over the group's short-term prospects depressed the stock which closed down Pta30 or 2.5 per cent at Pta1,1175. The general index fell 0.15 to 266.36.

FT-SE Eurotrack 100 - Mar 2

Hourly changes							
Open	10 am	11 am	12 pm	1 pm	2 pm	3 pm	close
1166.09	1166.43	1166.67	1167.16	1167.43	1167.87	1167.68	1169.17

Day's High 1169.42 | Day's Low 1163.82

Feb 28	Feb 27	Feb 26	Feb 25	Feb 24
1169.95	1167.26	1165.89	1156.42	1163.91

Base value 1000 (26/10/90).

FT-ACTUARIES WORLD INDICES

Jointly compiled by The Financial Times Limited, Goldman, Sachs & Co., and County NatWest/Wood Mackenzie in conjunction with the Institute of Actuaries and the Faculty of Actuaries

NATIONAL AND REGIONAL MARKETS	MONDAY MARCH 2 1992								FRIDAY FEBRUARY 28 1992					DOLLAR INDEX		
Figures in parentheses show number of lines of stock	US Dollar Index	Day's Change %	Pound Sterling Index	Yen Index	DM Index	Local Currency Index	Local % chg on day	Gross Div. Yield	US Dollar Index	Pound Sterling Index	Yen Index	DM Index	Local Currency Index	1991/92 High	1991/92 Low	Year ago (approx)
Australia (69)	146.28	+0.9	123.54	119.88	124.76	128.91	+0.7	4.29	144.95	122.31	118.38	123.40	127.98	160.31	112.74	129.31
Austria (20)	180.48	−1.0	152.42	147.91	153.93	154.21	−0.5	1.87	182.31	153.84	148.90	155.21	156.04	222.37	163.86	213.02
Belgium (46)	142.35	+0.7	120.22	116.65	121.41	118.83	+1.3	4.96	141.34	119.26	115.42	120.32	117.29	151.20	118.04	148.91
Canada (115)	135.47	−0.2	114.41	111.02	115.54	116.20	+0.0	3.19	135.76	114.56	110.87	115.57	116.20	144.28	126.49	139.46
Denmark (36)	243.45	−1.4	205.60	199.52	207.63	210.67	−1.0	1.70	246.92	208.36	201.66	210.21	212.83	273.94	217.74	261.97
Finland (15)	85.84	−0.2	72.49	70.35	73.21	80.51	−0.3	2.10	85.97	72.54	70.22	73.19	80.73	125.15	73.32	113.80
France (108)	155.81	−0.4	131.59	127.68	132.88	136.32	−0.2	3.25	156.43	132.00	127.74	133.16	136.61	156.43	119.11	148.35
Germany (65)	120.43	−0.3	101.71	98.71	102.71	102.71	−0.1	2.24	120.82	101.95	98.69	102.86	102.86	125.35	94.15	118.27
Hong Kong (55)	204.89	+0.2	173.04	167.91	174.76	203.98	+0.2	3.76	204.43	172.50	166.95	174.04	203.57	204.89	119.62	145.00
Ireland (18)	162.26	−0.7	137.03	132.96	138.39	141.08	+0.1	3.62	163.38	137.86	133.43	139.09	140.88	182.46	132.88	169.94
Italy (77)	75.28	−0.7	63.58	61.69	64.21	69.21	−0.6	3.34	75.82	63.98	61.92	64.54	69.60	88.23	64.76	83.49
Japan (473)	118.51	+0.1	100.08	97.12	101.08	97.12	+0.5	0.88	118.38	99.89	96.68	100.79	96.68	146.97	116.27	136.71
Malaysia (68)	244.45	−0.2	206.45	200.33	208.48	242.66	−0.6	2.74	244.90	206.65	200.00	208.49	244.01	250.18	189.18	231.34
Mexico (18)	1754.81	+0.7	1482.01	1438.14	1496.67	5871.94	+0.7	0.95	1742.44	1470.30	1423.04	1483.40	5830.54	1754.81	534.45	809.84
Netherland (31)	151.43	−0.3	127.89	124.10	129.15	127.62	−0.1	4.33	151.93	128.21	124.08	129.35	127.77	156.48	125.70	142.34
New Zealand (14)	46.76	+0.8	39.49	38.33	39.89	45.35	+0.7	6.06	46.38	39.14	37.88	39.49	45.03	54.64	41.18	47.51
Norway (24)	167.15	+1.3	141.17	136.99	142.57	146.17	+1.9	1.67	164.93	139.17	134.70	140.41	143.49	223.24	157.08	217.00
Singapore (38)	209.88	−1.3	177.25	172.01	179.00	158.86	−1.3	2.16	212.61	179.40	173.64	181.00	160.98	228.43	151.63	198.19
South Africa (61)	223.84	+3.6	189.04	183.44	190.91	179.56	−0.6	2.79	216.16	182.40	176.54	184.02	180.70	271.99	173.00	200.95
Spain (52)	158.85	−0.4	134.15	130.19	135.48	124.61	−0.2	4.45	159.53	134.61	130.29	135.81	124.84	171.12	131.51	163.76
Sweden (25)	180.19	+0.6	152.18	147.68	153.69	158.99	+1.1	2.83	179.19	151.20	146.35	152.55	157.30	204.12	146.80	195.09
Switzerland (59)	100.43	−0.3	84.82	82.31	85.67	92.61	−0.1	2.16	100.72	84.99	82.26	85.76	92.67	104.22	82.17	96.74
United Kingdom (233)	178.96	−0.4	151.14	146.65	152.62	151.14	−0.3	4.92	179.64	151.59	146.70	152.92	151.59	187.44	156.27	181.93
USA (523)	168.54	+0.0	142.34	138.13	143.75	168.54	+0.0	2.90	168.54	142.21	137.65	143.49	168.54	171.66	125.95	149.65
Europe (609)	146.53	−0.4	123.75	120.09	124.98	125.16	−0.2	3.86	147.05	124.09	120.10	125.20	125.39	151.52	125.50	147.44
Nordic (100)	174.79	−0.3	147.61	143.24	149.07	147.38	+0.2	2.17	175.27	147.90	143.15	149.22	147.15	200.81	155.55	193.75
Pacific Basin (717)	122.15	+0.1	103.16	100.11	104.18	101.07	+0.4	1.22	121.99	102.94	99.63	103.86	100.64	145.92	117.86	138.26
Euro – Pacific (1526)	132.17	−0.1	111.62	108.31	112.72	111.35	+0.2	2.39	132.28	111.62	108.03	112.61	111.18	147.66	121.29	142.37
North America (638)	166.44	+0.0	140.57	136.42	141.96	164.98	+0.0	2.92	166.45	140.46	135.96	141.73	164.98	169.69	125.91	148.94
Europe Ex. UK (576)	126.63	−0.3	106.94	103.80	108.02	109.92	−0.1	3.10	127.06	107.22	103.79	108.19	110.04	129.80	103.58	126.41
Pacific Ex. Japan (244)	158.16	+0.3	133.57	129.64	134.91	141.31	+0.2	3.80	157.63	133.01	128.75	134.21	141.03	158.16	111.40	132.03
World Ex. US (1720)	134.34	+0.0	113.45	110.10	114.58	113.62	+0.1	2.41	134.35	113.37	109.73	114.38	113.48	148.16	122.32	143.12
World Ex. UK (2010)	141.62	+0.0	119.60	116.07	120.79	128.46	+0.1	2.33	141.56	119.45	115.62	120.53	128.29	150.58	120.06	140.54
World Ex. So. Af. (2182)	144.36	+0.0	121.93	118.33	123.15	130.16	+0.1	2.60	144.44	121.88	117.98	122.98	130.04	153.05	122.92	143.87
World Ex. Japan (1770)	160.14	+0.0	135.24	131.25	136.60	149.74	−0.1	3.27	160.21	135.19	130.86	136.42	149.83	161.90	126.69	148.50
The World Index (2243)	144.87	+0.0	122.34	118.73	123.56	130.61	+0.1	2.60	144.87	122.25	118.32	123.34	130.49	153.70	123.28	144.22

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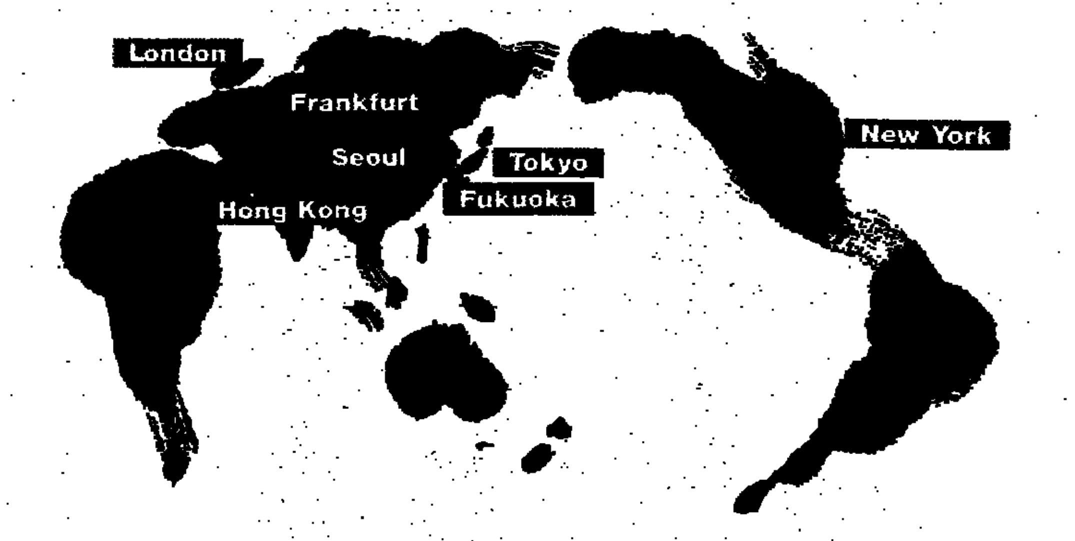

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